THE AMERICAN LIVE STOCK MARKET HOW IT FUNCTIONS

Fig. 1.—Section Chicago Stock Yards.

International Amphitheatre 21, Stock Yard Inn 35, Record Building, home of the Shorthorn, Angus and Duroc-Jersey associations, 31; Chicago Daily Drovers Journal 11, Clydesdale Building 9, Administration Building 2, Exchange Building 13, Live Stock Exchange National Bank 23, Percheron Society of America 40, Horse Association of America 41.

THE AMERICAN LIVE STOCK MARKET

HOW IT FUNCTIONS

BY

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PREFACE

Producers of meat animals and students of animal husbandry are asking many questions regarding the handling, grading and selling of live stock at the big centralized markets. They are interested in knowing how markets are made, how reported, and how the producer can utilize information regarding markets to the best advantage. This book is the answer to these questions. The various interests and factors that contribute to the making of a great market are described in detail, together with the part each plays in the whole scheme.

No attempt has been made to criticise or point out what might be considered the good or the bad features of the system. On the contrary, the writer has confined his efforts to a description of marketing methods in actual practice. No one live stock market is singled out, but the methods and customs in general use at the big central markets are described.

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ARTHUR C. DAVENPORT.

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CHAPTER I.

DEVELOPMENT OF AMERICAN MARKETS

In remote ages, shepherds established trails across the mountains and deserts to the fertile and populous valleys where they might barter meat animals, wool, and skins, for the crude manufactures of a stone age. Civilization moved forward, but the production and sale of live stock was carried on with little change. Barter naturally gave way to cash sales as coined money began to circulate, but otherwise the live stock trade, down to modern times, was essentially the same as it always had been.

American Influence.—The settlement of the territory of the United States, with a well organized government assuring peace and protection to property over a wide extent of country, especially well adapted to the production of live stock, led the way for a far greater development of the industry than ever before known. The improvement in market methods, however, had to await the growth of transportation facilities. Thus the early settler in America began about where he left off on the other side of the Atlantic.

Early Market Methods.—Before modern systems of transportation were developed, the small producer of live stock sold as best he could, usually to nearby consumers. Most towns had a butcher who would visit farms where there were animals for sale, and would buy a cow or a steer, or a hog or two, which he would kill at his own slaughter house. The meat was usually peddled out, the little covered one-horse butcher's cart being a familiar sight in days gone by. Some farmers during the winter months

would slaughter animals at intervals and dispose of the meat among neighbors, a custom still in vogue in some localities. Many farmers cured their own bacon and hams as well as putting down salt pork and corned beef. Cities and towns that became too large to be supplied entirely by local farmers depended upon cattle that were brought in and sold to the slaughter house by drovers. The word "drover" is practically obsolete at the present time except as it continues in the names of some of the old-established stock yards institutions, as drovers' banks, drovers' hotels, etc. It is still retained in the names of the three oldest daily live stock market papers.

It was the drover who went out into the country, buying up a steer at one farm, a cow at another, an old bull at some other place, and here and there a calf. Collecting together a small bunch of stock, he drove it (hence the name drover) to the city where it was sold to the local butcher. Small numbers of sheep and lambs were handled in the same way, and occasionally hogs, but it is needless to add that they were not the short leg and fat lard type of the present day. It was nothing unusual for cattle to be driven from Ohio to Baltimore, Philadelphia, and other seaboard markets. They were even driven from as far away as Kentucky over a route 800 miles long. Buffalo received cattle even from the Mississippi River. There was no competition at any point in the trade.

The larger towns were plentifully supplied with fresh pork during the winter months by farmers who would slaughter one or more hogs at a time and haul them to town. This method is still quite prevalent in sections of the South that have no convenient outlet to a packing center. The farmer will drive to town and make the rounds of the prospective buyers of pork. He may sell half a hog to the little meat market and perhaps the other half to the hotel. He will

return home and that night at sundown, after the air has cooled off, kill and dress a hog. Before sunrise the next morning he will be on his way to deliver the hog, half to the hotel and half to the market. Under this system, in sparsely settled districts, it takes two days to market a hog, and the price dressed is usually lower per pound than live hogs are bringing at the big central markets. The difference in quality may account for part of the difference in price.

The Beginning of Central Markets.—As the population of cities along the eastern seaboard, such as Baltimore, Philadelphia, New York, Albany and Boston, increased, the local consumption of meats became large enough to create at those points a sufficient demand for meat animals to give them markets of considerable importance. The development of railroads and other means of transportation furnished better methods for distribution of the product which was limited largely to the merchandising of cured meats. It was not until 1852 that any attempt was made to ship cattle by rail even in an experimental way, and it was several years later before that method of moving stock became at all common. In fact very little live stock was hauled by the railroads until after 1860.

The extension of the railroads westward into sections especially adapted to grazing made possible the rapid expansion of the live stock industry, a movement that was greatly stimulated by the Civil War demand for meat animals to feed the soldiers at the front. New markets sprang up in the west which at first were little more than concentration points where the stock was sold and forwarded on hoof to other points for slaughter. Packing houses followed later on, and thus the foundations were laid for the great centralized markets of the present day.

The Passing of the Drover.—The drover moved westward following the producer and, operating in

territory beyond the transportation lines, bought live stock from settlers and drove it to market or to the railroads. A few hundred miles was nothing to those men, whose lives were filled with adventure and hardship, fording or swimming their droves across dangerous streams braving storms and thieves, and overcoming difficulties that would have driven men less resolute out of the business. Arriving at the market they were forced frequently to herd their stock for days in the open because the stock yards were not supplied with sufficient pens to take care of all arrivals. The further extension of the railroads deprived the drover of his business. His successor was the "shipper" who buys stock at the local stations and ships it by railroad to market. Of late the "shipper" in his turn has been forced out at many points by the growing custom of the producer shipping his own stock, either as an individual or through a co-operative shipping association.

The Texas Trail.—When the great trunk lines were extended across the continent, they opened up vast tracts of splendid grazing lands reaching from Texas to the Canadian line and from the narrow fringe of settlements along the western banks of the Missouri river, to and beyond the Rocky Mountains. Texas was the great breeding ground for cattle that were driven from Texas to the northern feeding grounds where they were kept a year or more and finally shipped to market by rail. It took the greater part of the season to drive a bunch of cattle from Texas to the northern range and the route over which the cattle passed came to be known as the Texas trail. There were many other trails, all of them leading eventually to the big trunk lines that finally carried the cattle to the rapidly growing central markets.

Trailing Sheep to Market.—Sheep in the early days were trailed across the western states the same as cattle. It was a very common thing for sheep to

be trailed from Oregon to western Nebraska, even after the building of the Union Pacific railroad, as being the cheaper mode of transportation. The sheep were never really driven on the trail. The great bands, embracing several thousand head each, were in charge of a herder who would keep his dogs behind them and on each side. Thus the sheep with their heads always pointing eastward would in the course of the summer, feed their way across the mountains and deserts to Nebraska where they would be loaded on cars for eastern markets or fed through the winter for the spring market. The trailing of sheep was not without its exciting incidents. Sheep nip the grass very close to the roots and not infrequently, on a dry and sandy range, pull it up and eat roots and all. The passing of big bands of sheep across the range left little behind but dust. Thus cattlemen came to resent very bitterly the intrusion of sheepmen who did not acquire permanent ranches. There were frequent clashes and no small amount of bloodshed.

With the extension of the railroads and the fencing of the range the early methods of sending stock to market on the hoof gave way.

Markets Move Westward.—The settlement of the great prairie states of the central west especially suited to stock growing, caused a rapid and enormous increase in the production of live stock of all kinds. As the center of production moved westward, the markets followed. Buffalo became a market intercepting business that would have gone previously to the older seaboard markets. Cincinnati also came to be an important market and the center for a large pork packing industry. As early as 1833 Cincinnati was credited with the slaughter of 85,000 hogs, and the total for the year 1863 reached 608,000.

The Big Four.—The four markets destined to exert a dominating influence on the live stock trade of the

whole country, even the smallest of the four being larger than any other markets in the world, grew rapidly with the development of the central west. Chicago, the largest of the four, opened its first stock yards, known as the Bull's Head Yards, in 1848, but the present yards were opened in 1865 (Fig. 1). The Kansas City Yards began business in 1871 (Fig. 12). The present National Stock Yards, located on the Illinois side of the river but known as the St. Louis market, opened in 1872 (Fig. 6). Omaha followed in 1884 (Fig. 17). Many smaller markets have sprung up in all sections until the Pacific Coast has been reached.

In very recent years a strong effort has been made to give the old southern states better market facilities, and packing houses have been located at various points. Several promising markets have been established, such as Oklahoma City, Nashville, and others, but so far the South, outside of Texas which has a good market at Fort Worth (Fig. 20), has no large centralized markets. This is because live stock production has not developed in that section of the country on a sufficiently large scale.

The Making of a Large Market.—There are certain essentials without which it is impossible to establish or maintain a big centralized market. The size of the market depends largely upon the extent to which these essentials are available. In the first place there must be a supply of live stock of all kinds so large that there is no possibility of exhausting it at any time during the year. There must be adequate transportation facilities for its delivery at the market and for the distribution of product. Packing houses to turn fat stock into meat products are a most important essential. To be of any great importance a market must also be so located as to attract buyers other than packers in order to have better buying competition.

Number of American Markets.—It is impossible to say just how many live stock markets there are in the United States, as it is largely a matter of judgment as to when a certain point ceases to be a mere receiving, loading, or distributing station, and becomes a real market. Early in 1922 when the Department of Agriculture undertook the supervision of stock yards, as provided in the Packers and Stock Yards Act, it declared 69 stock yards located in 34 states to be public stock yards within the meaning of the law, but many of them do not carry on buying and selling of live stock to any great extent and are of local importance only. It must be understood that many of these points receive stock that is loaded and forwarded to other market points and also stock that has been shipped from a market to be turned over to local packers or other buyers, so that the same stock is sometimes counted more than once. Market papers generally recognize as the seven leading or central markets, Chicago, Kansas City, Omaha, St. Louis, St. Joseph, Sioux City, and St. Paul. At Chicago fifteen or more points are recognized as of sufficient importance to be included in the list of markets regularly reported in the daily market paper, and the arrivals at twenty markets are included in its tables of receipts.

Foreign Live Stock Markets.—There are no large centralized markets in Europe to compare with the big American markets. The danger of spreading contagion, such as the foot-and-mouth disease, and other causes, have prevented the free movement of live stock to a considerable extent, thus giving the markets more or less a local character. Still there is quite a trade between those countries producing a surplus of meat animals and others that because of climatic conditions have scanty pasturage and are forced to depend upon imports for part of their meat supplies.

While South America has no markets equal to those in the United States, the live stock industry is developing very rapidly on that continent. American packers are operating plants in Argentina, Brazil, Uruguay, and Paraguay, while there is also a large investment of British and other capital.

Australia and New Zealand are developing a large live stock and meat industry, in which movement American packers have taken some part.

The rapid development of the live stock and packing industries in other countries and the interest taken in this development by American packers has given rise to grave fears that the live stock industry in the United States might suffer in consequence.

QUESTIONS

1. How was stock sold before there were centralized markets?
2. Describe the operations of the drover.
3. How are hogs still sold in sections remote from markets?
4. Describe the beginning of central markets.
5. What was the Texas trail?
6. How were sheep trailed?
7. What led to the opening of western markets?
8. About how many American markets are there?
9. Give some idea of foreign markets.

CHAPTER II.

FACTORS THAT MAKE A MARKET

A modern American live stock market is a very complex organization, and the larger it is the more complex it becomes, and the more varied the interests that combine to increase its size and importance. Among the more essential interests or factors that go to the making of the large markets are:

Transportation companies.
Stock Yards corporations.
Commission houses.
Packing companies.
Local butchers.
Order buyers.
Export buyers.
Speculators or scalpers.
Traders or dealers in feeders.
Banking houses and loan companies.
Daily market newspapers.

These different interests and the part they play may be briefly described as follows:

The stock yards companies maintain yards and other equipment for the care of the stock while it is being marketed.

The commission companies acting for the owners look after the stock on its arrival, sell it, collect the money, and remit to the owners.

Packing companies are the largest buyers of fat stock of all kinds suitable for killing purposes.

Local butchers are retail meat dealers who buy their own stock and kill it at their own slaughter houses instead of buying meat from the packers.

Order buyers are those who buy fat stock as agents for packers and others located at a distance from the market.

Export buyers are those who buy for export to foreign countries.

Speculators buy all kinds of stock, cattle, hogs or sheep, that may look cheap to them and which they believe will command more money in the near future.

Traders or feeder buyers buy thin or light cattle, sheep or hogs for stocker and feeder purposes, also mixed lots of both thin and fat stock that packers will not buy.

The banks and loan companies, in addition to affording the usual banking facilities, aid in financing producers and feeders of stock, packers and other buyers.

The daily market newspapers, printed in the afternoon of each market day, carry back to the country a report of actual transactions of the day together with such descriptive matter as may be useful for a full understanding of market conditions.

Other Market Making Factors.—There are at most of the larger markets various other companies that are more or less important elements in the operation of a market along the most economical and efficient lines. For example, the so-called rendering companies, that buy all animals arriving dead or that die in the yards. These companies salvage as much of the dead animals as possible, such as hides, wool, grease, etc., transforming the remainder into fertilizer. As a rule nothing is paid for dead hogs weighing less than 100 pounds.

Some markets have fertilizer companies that make a business of turning the manure into fertilizer. Sheep manure is especially suitable for this purpose, when dried, ground and sacked for sale to city people for making lawns, to gardeners and fruit growers.

At those points having a large feeder trade there are companies or individuals who render such services as dehorning cattle.

The government maintains several departments for the carrying out of government rules and regulations, such as ante mortem and post mortem inspections, government supervision of packing houses and markets, reporting of markets, the immunization of hogs, issuance of health certificates, etc.

Various other companies and individuals perform many services which, though of minor importance in themselves, all go to make up that vast aggregation of activities that constitutes a great modern American live stock market.

QUESTIONS

1. Mention some of the factors that make a market.
2. Describe the part played by various interests.
3. Is the government represented?

CHAPTER III.

TRANSPORTATION OF LIVE STOCK

Transportation companies constitute an important part of the foundation upon which modern centralized markets rest. They form the main dependence of all markets for the bringing in of live stock and afford practically the only means of distributing stock that must be forwarded to other points. They also provide the only method for the rapid distribution of large quantities of meat products.

The various railroad companies perform at present the most of this service within the borders of the United States.

Trucks owned by individual farmers and by trucking companies are bringing in more stock every year, and in time are expected to cut a big figure in the total movement. They appear to be especially well adapted to the movement of hogs and sheep.

A few cattle and sheep are still driven to market on hoof from nearby points, but the total number is insignificant compared to the numbers which the transportation companies handle.

Markets located on navigable waters receive some live stock at times by boat and distribute some packing house products in the same way, but the total is comparatively small. Water transportation is not sufficiently rapid to be ideal for the movement of either live stock or fresh meat, except in the case of export trade where fast steamers are utilized, equipped with refrigerator space for fresh meats.

Markets located at big centers of population such as Chicago and St. Louis have quite a large local dis-

tribution of meat products, but the total is a very unimportant fraction of what those markets produce.

Studying Shipping Methods.—A very active campaign has been carried on during recent years, having for its object the education of producers in the careful handling and loading of live stock so as to reduce the death rate during transportation to market and at the same time save the loss due to cut hides and bruised flesh. This work has been furthered by the market agencies at the different stock yards as well as by producers' organizations and Department of Agriculture officials. A great effort has been made to impress upon the producer that when he has a car of stock ready to ship he must not only see to it that the car is ordered far enough in advance to have it set on track in time, but that it has been properly bedded or that it is in fit condition to be loaded. It is of the greatest importance that the loading be properly done.

Railroad Rules and Responsibility.—The rules of the railroad companies generally allow an owner of one car of stock to accompany the car to market, riding free on the stock train as a caretaker. If he has two or more cars in the shipment, the railroads in territory west of the Illinois-Indiana state line now give him free transportation back to his home on a passenger train. East of that line no return transportation is furnished.

The station agent makes out a way bill, indicating to what market the stock is to be shipped, to whom consigned, whether to the owner himself, or to some commission house representing him.

The owner must stand all losses due to death of animals from natural causes, such as disease, heat or cold, trampling, or smothering, where the carrier has not been negligent, but proof of good condition of stock at loading time is prima facie evidence against the carrier if the stock be delivered dead or in bad order. If

the loss is due to an accident such as the wrecking of the car, the railroad is responsible for the loss.

There is a form of insurance by means of which the owner can protect himself against loss in transit regardless of the cause. Under this form of insurance the company pays the owner for any loss of stock between the point of loading and destination. If the railroad is responsible for the loss the insurance company reimburses itself by collecting such loss from the railroad.

Terminal Railroad Facilities.—Most of the large markets have a terminal railroad or a series of switch tracks so laid out as to be easily accessible to all the railroads touching that market. These terminal lines or switch tracks are owned by a terminal railroad company, or by the stock yards company itself, so that no railroad line can be blocked from reaching the yards or unnecessarily delayed in the delivery of live stock.

When a shipment of stock reaches the market to which it was consigned, it is switched to the terminal tracks and pulled up to the unloading chutes (Fig. 2). The responsibility of the railroad company ends as soon as the stock is unloaded into suitable pens.

Unloading and Yarding Stock.—Employes of stock yards companies unload the stock while other representatives of the same company take charge of the way bills turned over by the conductor of the stock train. These bills are taken to a nearby office of the stock yards company, called the receiving office, bulletin office, or chute house, where the name of the owner, the name of the party to whom the load is consigned, number of car, and the number and kind of stock, are entered in books or on bulletins available to those personally interested.

Representatives of commission houses are in constant attendance to catch shipments consigned to them and when in a hurry for the stock receive it in the al-

leys as it is unloaded, thereby releasing the stock yards company from further responsibility. In other cases employes of the stock yards company drive it to the pens used by commission firms but the stock may still remain in possession of the stock yards company, in which case its employes place padlocks on the gates of the pens in which it is yarded. It remains locked up until the owner or his representative, the commission firm to whom it was consigned, requests that it be unlocked. When this is done it amounts to the turning

Fig. 2.—Loading and Unloading Chutes, Omaha.

over of the stock to the owner or his representative, and the stock yards company is no longer responsible.

Shipping Out of Yards.—The facilities for shipping stock out of the yards are just as good as those for receiving it. The owner or his representative orders the number of cars desired set at the chutes. Just previous to the hour for the train to leave, the cars are loaded just as they were unloaded. Railroad agents, with offices in the yards, bill the stock out. At the big

market points where many outside buyers are operating the shipments are always large. The purchase of feeders by the country adds to the volume. At some of the markets a great deal of stock is received to be fed, watered and rested, without being offered for sale, and then re-shipped to other points. Thus the difference between the receipts and the shipments at a market furnishes a very good index as to the number of head slaughtered at that point.

QUESTIONS

1. What are railroads doing for the markets?
2. How are trucks utilized?
3. What is the objection to water transportation?
4. Who is responsible for animals killed in transit?
5. Whose loss is it if animals die of natural causes?
6. What is a way bill?
7. Can a shipper insure himself against loss?
8. What is meant by a terminal railroad?
9. Explain how stock is turned over to the terminal.
10. Describe the unloading of stock.
11. Who unloads the stock?
12. Who yards the stock?
13. Explain responsibility of railroads for losses.
14. Explain responsibility of stock yards companies for losses.

CHAPTER IV.

STOCK YARDS COMPANIES

A stock yards company is a company or corporation organized for the purpose of constructing and operating stock yards.

The stockholders or owners are individuals who have purchased the capital stock as an investment. In days gone by packers were large owners, in the case of some yards having the controlling interest. Packer ownership gave rise to a great deal of criticism as producers felt that it did not look right for the packers, who bought most of the fat stock, to have control of the stock yards which afforded the only avenue through which the stock could be sold. As a result of the agreement between the government and the packers in 1919, as to the giving up of side lines, the packers agreed to dispose of their ownership or holdings in stock yards companies.

Property of Stock Yards Companies.—The property of the stock yards companies at the big central markets represents an enormous investment, including in addition to the land, such items as exchange buildings, switch tracks, switch engines, loading and unloading chutes, cattle pens (Fig. 38), sheep barns, hog pens, scale houses, bank buildings, grain elevators, hay barns, horse barns, sale rings for purebred stock sales (Fig. 10), live stock exposition buildings (Fig. 37), water systems, electric lighting systems, and extensive equipment of various kinds, such as trucks and teams for hauling feed and cleaning yards.

Exchange building is the name applied to the office building located in the stock yards which provides of-

fices for rental to the various interests doing business at the yards (Figs. 3 and 11). Commission men, traders, railroads, telegraph companies, buyers of stock, banking and loan companies, and many other interests are housed in the exchange building. At some markets separate bank buildings are provided for the financial institutions. At most points there is a dining room in the exchange building for the convenience of tenants and visitors.

A stock yards company usually owns or controls, under contract or lease, terminal tracks connecting the yards with the various railroad lines so as to facilitate the arrival and departure of stock trains. By the concentration of authority and thorough organization it has been possible to speed up the unloading of stock arriving and the reloading of stock to be shipped out.

At some points it has been regarded as necessary that the company should own or operate locomotives, on the theory that stock trains arriving from different roads, in charge of crews unfamiliar with the stock yards and not recognizing the authority of stock yards representatives, might cause delays in the movement of stock trains in and out of the yards. Hence arose the custom at some markets of the railroads shunting their stock trains to the stock yards company's tracks and leaving them there. Then the stock yards company with its own engines and crews would pick up the trains and set them at the unloading chutes, thereby avoiding confusion and loss of time. Trains containing stock that is being shipped out of the yards or empty cars are pulled out to a point where they can be picked up by the road over which the stock is billed. At other points the railroads set their own trains at the chutes.

Loading and Unloading Chutes.—A chute is a narrow, inclined runway for live stock, leading from the unloading platform and terminating in a small pen

just large enough to hold a car load of stock (Figs. 2 and 13). At the upper end of the chute are gates long enough to swing across the unloading platform and against the car on each side of the door, forming a lane down which the animals are driven. The chutes are so constructed as to conform to the length of standard stock cars, and when a train is set for unloading, each car door is opposite a chute. Men working with great rapidity set the gates, while others are forcing

Fig. 3.—Exchange Building, Kansas City.

open the car doors, so that several cars are in process of unloading at the same time and a whole train is unloaded, the empty cars pulled away and another train set in its place in a surprisingly short time. Chutes for unloading sheep at some points are so constructed that both decks of a double-decked car can be unloaded at the same time. Loading chutes are constructed and operated the same as unloading chutes,

the stock being driven up into the cars instead of down from them.

Arrangement of Pens and Alleys.—That portion of the stock yards known as the cattle division is divided by alleys into blocks which in their turn are cut up into pens, each sufficient to hold one or more cars of stock and each opening into an alley. Each pen is provided with racks or bunks for hay and troughs for water. Every pen and block is numbered, so that each car of stock can be yarded and its location recorded in the records of the stock yards company as well as in the records of the commission company handling it. The same identification numbers, as, for example, "Block 10, Pen 4," are carried on the scale ticket when the stock is sold and weighed, and on into the records of the buyer. This system makes it possible to trace any shipment from the time it is received until it passes on into a packing house or is shipped out of the yards. The number of the railroad car bringing in the stock and, in case it is reshipped, the number of the car taking it out becomes a part of the record. All stock yards are provided with numbers of small pens known as "catch pens" where the odds and ends, throw-outs, etc., can be held. Such pens will hold from one to a half dozen or more head.

Arrangement of Alleys.—Stock yards are laid out by expert engineers with a special view to expediting the movement of stock. Thus in some of the larger yards where there is danger of a congestion or blocking up of alleys, the engineers have arranged alleys so that stock coming into the yards on late trains can be distributed to the different sections without stopping the movement of stock to or from the scales. This is accomplished not only by a skillful arrangement of alleys, but in some cases by the paralleling of alleys. At most big markets the rapid movement of stock is facilitated by overhead driveways (Fig. 4). Such over-

head alleys are also utilized for the driving of stock already sold to the various packing houses.

Barns and Sheds for Stock.—At market points where sheep are handled in large numbers, barns are provided, as no one is willing to buy sheep with fleeces wet with snow or rain, because of the added weight (Fig. 33). Moreover, bad storms are liable to cause

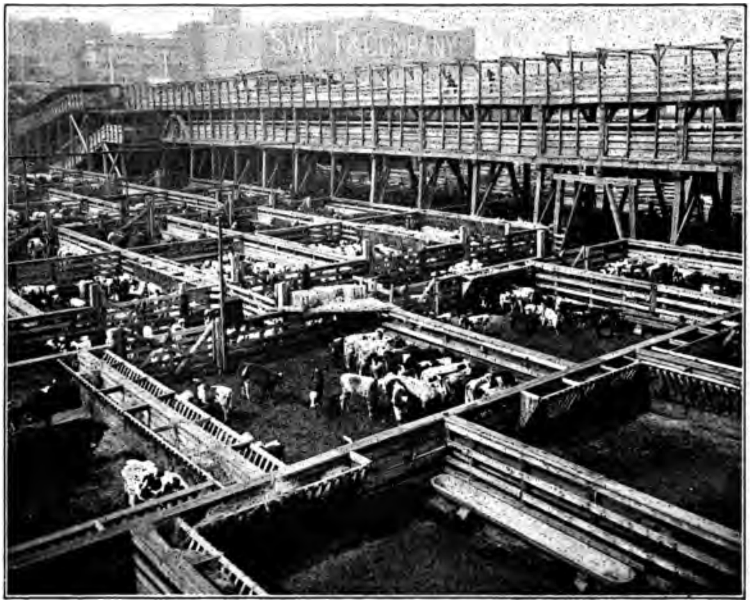


Fig. 4.—Double-Decked Driveway, Chicago.

heavy losses where sheep are yarded in the open. The barns are divided up into blocks and pens on the same order as the cattle yards (Fig. 39), some of them being double-decked to make more space. In some barns there is an inclined driveway beginning at the scale house and fat sheep are driven up this as fast as weighed, and yarded in pens on an upper deck, assigned to packer buyers. Sheep pens are provided with hay racks, troughs for feeding grain, and water troughs.

Hogs are yarded in pens roofed over but open at the sides (Figs. 7, 13 and 26). They are provided with water troughs, but the feed, which is corn, is scattered on the floor of the pens. As in the case of sheep, the hog divisions are frequently double-decked to economize space. Some of the most recently constructed pens for hogs have two decks above the ground floor.

All the large markets have well equipped barns for horses and also sales pavilions (Fig. 10) for the holding of auction sales of pure bred live stock.

Quarantine Divisions.—Stock yard companies at all of the large markets are forced to maintain quarantine divisions for the handling of stock that must be segregated. The operation of these divisions and the reasons for their existence are fully explained in the chapter devoted to Inspection and Sanitation.

Stock Scales Under Cover.—Scattered throughout the cattle yards, sheep barns, and hog divisions, are small structures known as scale houses (Fig. 5). They are so arranged that the throwing open of a gate allows the animals to be driven into the house and the closing of the gate pens them on the scales. The weighmaster on the other side of a partition weighs the stock, announcing the weight and recording on tickets the weight, name of buyer and seller, pen from which the stock came, etc.

The scale houses are the property of the stock yards companies and are operated by company employes, except when some state law has forced a different arrangement.

Stock Yard Companies Provide Dipping Vats.—A dipping vat is a trench lined with concrete or other material that will hold liquid (Fig. 35). At one end, used as the entrance, there is a sharp decline floored with slippery metal plates leading down into the trench-shaped vat. At the other end a cleated incline leads out and into a pen with a water-tight floor tilted slightly

so as to drain back into the vat. The depth of the vat depends upon whether it is to be used for cattle or sheep.

The animals to be dipped are driven into a pen that tapers down to a narrow alley just wide enough for one animal to move along and not wide enough for him to turn around. As he comes to the slippery and steep decline he slides down into the tank with force enough in most cases to carry him clear under the liquid dip; if not, attendants duck his head under. The vat being too narrow for him to turn about, he is forced to swim through and climb out at the other end. The animals are left in the drip pen while the liquid runs back into the vat, thus reducing wastage. Steam pipes keep the dip at the required temperature. Most big markets have especially constructed spray pens for hogs, which take the place of vats. The dip, or disinfectant, is sprayed over the hogs by means of a system of pipes.

Fig. 5.—Weighing Cattle, St. Joseph.

Live Stock Arriving in Auto Trucks.—Of late years most stock yard companies have provided suitable unloading chutes for trucks and wagons to accommodate the steadily increasing receipts of stock in conveyances of that kind. Otherwise, the stock is handled just the same as that arriving by train.

Money Invested in Stock Yards.—The investment in stock yards is very large because of the first cost of the property and also because much of the construction must be renewed every few years. The more general use of concrete has made it possible to use a material more permanent than pine planks, which, in the early yards, were used not only for fencing but even for paving the pens. Concrete increases the original investment but reduces the annual cost of repairs.

Revenue of Stock Yards Companies.—There are two main sources of income upon which stock yards companies depend, the profit derived from the sale of feed and the charge for the yardage of stock. These two charges must pay for repairs, feeding and weighing stock, water, gas and electric light, tools, lost stock, cleaning of yards, insurance, stationery and books, printing, salaries of officers, clerks, special police and firemen, interest on investment charges, an army of laborers, and all the various expenses incident to the handling of such a business.

QUESTIONS

1. What is a stock yards company?
2. Who are the owners of stock yards?
3. Why did packers agree to give up ownership?
4. What property is owned by stock yards companies?
5. What is an exchange building?
6. Why must a stock yards company control terminals?
7. What are loading or unloading chutes?
8. Describe arrangement of pens.
9. Why are barns provided for sheep?
10. What kind of pens are provided for hogs?
11. What are scale houses?
12. What are dipping vats?
13. How are dipping vats operated?
14. What are the two main sources of income of stock yards companies?

CHAPTER V.

STOCK YARDS SERVICE

Among the more important services rendered by a stock yards company are the following:

- Receiving of live stock.
- Giving it yard room, shelter, feed and water.
- Weighing of live stock.
- Its delivery to buyers.
- Loading of live stock for shipment.
- Maintenance of office buildings and other necessities.

As noted at the end of the third chapter, the stock yards company receives live stock shipments from the railroad companies, unloads the animals and locks them in pens. The company is responsible, in case animals are lost or stolen, from the time it receives them from the railroad until it delivers them to the owner or the commission firm representing him. In case the stock is lost in a fire, stock yards companies as well as other market agencies have claimed that they were only agents and not liable for fire losses. There have been some very disastrous stock yards fires, and to cover possible losses of stock over forty stock yards have in many cases what is termed blanket insurance taken out by the live stock exchanges. The cost of this insurance is fifteen cents per car, which is paid at most markets by the shipper or original owner of the stock, the amount being deducted at the time the stock is sold.

Feeding and Watering Stock.—After a shipment has been turned over to a commission firm its representatives order the kind of feed (hay or corn) and quantity desired for each pen. The stock yards company delivers the feed as ordered by the commission firm

and renders bill for same. The commission firm is held responsible for payment of this bill and is expected to deduct the amount from the sale of the stock. Employes of the commission company see that the water, which is piped to each pen, is turned on and the water troughs kept full. The stock yards companies have elevators for corn and plenty of space for the storage of baled hay, the big markets using vast quantities of feed.

Every stock yards company has a fixed price to be paid per bushel for corn and per hundred pounds for hay, but the price is changed from time to time. No charge is made for water, the total consumption of which is very large. At some market points it has been figured that each animal sold requires his weight in water, only a small part of which is actually drunk, most of it being used for other purposes. In hot weather, much water is used to wet down hogs and to flush pens; and some animals do not seem to drink or fill well unless they hear the water splashing in the troughs, which means great water wastage. Some stock yards companies own their own water works while others buy their water from the city companies.

Cleaning and Repairing Yards.—The stock yards company, as the owner of the yards, maintains a large force of men and teams or trucks for hauling from the yards the accumulation of manure. At some points where steel and concrete construction has been installed, more especially for hog yards, water is used to wash out the pens every night, leaving them absolutely clean.

The stock yards company owning the yards must keep them in repair, employing therefor a large force of carpenters, concrete mixers, plumbers, machinists and in fact mechanics of all kinds, besides common laborers. At the larger markets the stock yards companies have very extensive shops for the repair of old equipment and the construction of new.

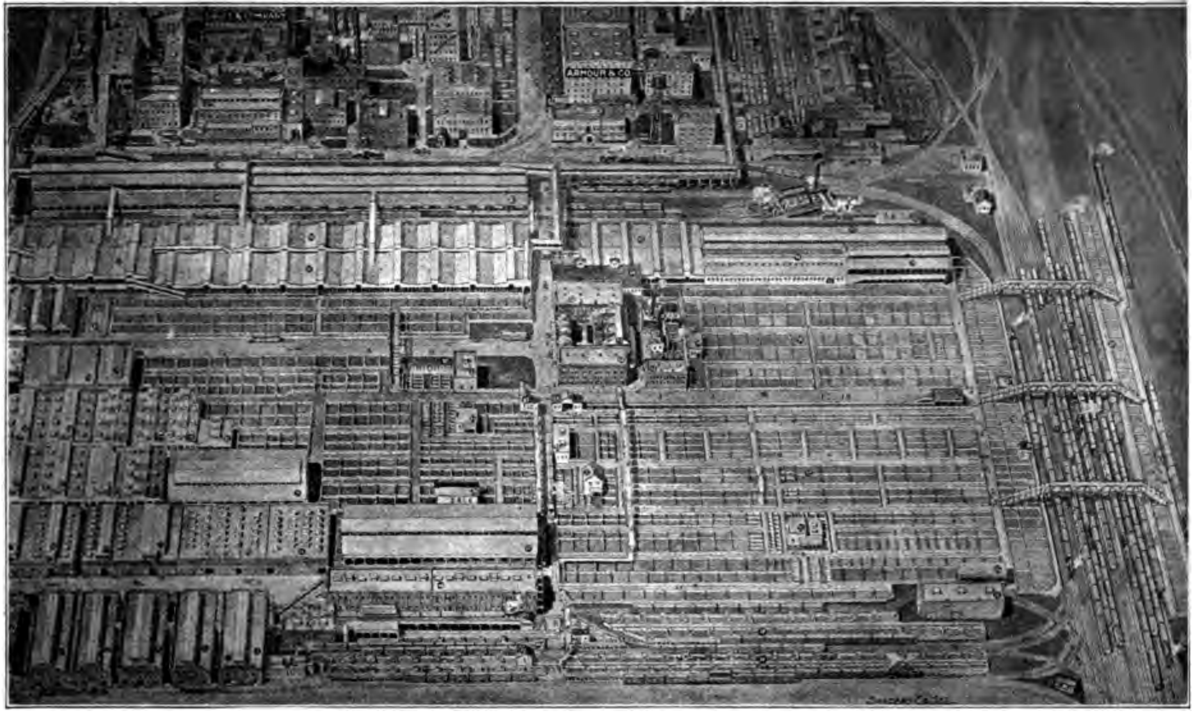


Fig. 6.—St. Louis Stock Yards, National City, Illinois.

Horse and mule barns on the reader's left in the foreground, cattle pens on the right. In the center is the Exchange Building and the office of the Daily National Live Stock Reporter, beyond which is the hog division on the left and the sheep division on the right.

Commission Men's Signs on Pens.—The stock yards company owns the pens, but to speed up the movement of stock and facilitate selling and buying, it is customary for the stock yards company to assign certain blocks of pens for the use of individual commission firms. At some points commission men are allowed to put their signs on the pens so that their customers can find them, while at other points no signs are permitted.

Influence on the Market.—Stock yards companies do not buy or sell stock. Their relation to the market is somewhat similar to that of a commercial hotel which houses and feeds buyers and sellers and visitors but does not take any part in the business operations of its patrons. Neither does a stock yards company have any influence over the market. It takes care of the stock and keeps the yards open so that no seller or buyer can be barred out.

QUESTIONS.

1. What services are performed by a stock yards company?
2. Who is the loser if animals burn in the yards?
3. How is blanket insurance used to protect stock?
4. Describe the feeding and watering of stock.
5. Who furnishes the feed?
6. Who repairs the yards?
7. Do stock yards companies buy or sell stock?
8. In what way do stock yards resemble hotels?

CHAPTER VI.

LIVE STOCK COMMISSION FIRMS

A live stock commission company is one that receives and sells live stock, for which service a commission is charged. This commission varies at different times and at different market points, but at most markets, especially those in the west, is figured at a certain price per head or per car load. Some eastern markets, such as Baltimore, Philadelphia, Jersey City and Lancaster, Pa., figure commissions for selling live stock on a percentage basis.

Each commission firm has offices in the exchange building owned by the stock yards company, for which is paid a regular fixed rental; also yard space assigned to it by the same company. It has a corps of salesmen for cattle, hogs and sheep, depending in number upon the extent of the firm's business.

Some of the larger firms have separate men for different classes of cattle, such as beef steers, butcher stock, stockers and feeders. There is always a force of clerks and accountants and other office help.

The total number of employes of a live stock commission house is larger proportionately than in most other lines of business because live stock is a perishable commodity and to prevent needless and possibly heavy loss, must be sold on the day of arrival. Being a spot cash business, custom requires that the money must be turned over to the owner the day of the sale. Hence each commission house must have a sufficient force of men to take care of any amount of stock that may be consigned to it on any given day, and have it sold and weighed before the close of day; also clerks

to figure the bills, collect on them, and send the money back to the country the same night. At most market points, the bulk of the stock arrives on three or four days of the week, which compels commission men to keep more men than would be necessary if receipts were more evenly distributed.

More Owners Increase Work.—There is a growing tendency among small producers to ship their own stock in co-operation with neighbors instead of selling it to country buyers. In times past one owner would frequently ship in a whole train of stock at a time, which would sell, without sorting, to one buyer and be weighed in big bunches. Now one car frequently will have a half dozen or more owners, so that much of the stock is weighed in small lots. It requires practically as much time and as many men to sell, weigh, and bill two head in a lot as it does a car load. Thus, even where there is no increase in receipts, the amount of labor involved in the handling of live stock on a market has been enormously increased during the last few years.

Selling Stock on a Market.—Live stock at public markets is sold by private negotiation except horses and mules, which are frequently sold at auction. On rare or special occasions other live stock may be sold by auction. On days when the demand is smaller than the supply, commission men may be forced to go about the yards in search of buyers, but ordinarily the salesman keeps close to the pens where the stock in his charge is yarded. The buyer comes to his pens. Unless otherwise specified, live stock is always sold on the basis of dollars and cents per hundred pounds live weight, except milk cows, horses, mules, and pure bred live stock for breeding purposes, which are sold by the head.

This, in brief, is the way the trade is conducted in stock yards: A packing house or other buyer will

ride up to a beef steer salesman and ask if he has any cattle of a certain grade. If so he rides into the pen and looks them over, asks the price, and if satisfactory may say, "Weigh them." If not, he will bid the price he is willing to pay. If the price is satisfactory to the salesman, who may have been asking a little more than he expected to get, he may sell them, thus letting them go to the first bidder; or he may hold them expecting to get a better price from some later buyer. The next buyer that comes along may want cattle of a different weight and grade, and he will try to buy anything of that sort that the commission salesman has. They may or may not come to an agreement. The third buyer that comes through the alley may have such broad orders that he will bid on practically everything the salesman has. This process of showing the stock and arguing about the price continues until the commission man has disposed of his holdings at the best prices he can secure. It will be observed that while there is no public or open bidding, after the manner of an auction, it amounts to about the same thing because the salesman keeps on showing the stock until he has had a bid from all the buyers, or until he gets a satisfactory price.

No Binding of Bargains.—After a sale is effected nothing is done to bind the bargain, such as the depositing of money, or the signing of a contract or order, as commonly practiced in many other lines of business. All buying and selling on live stock markets is by word of mouth and on honor. The language is very plain, salesmen using such expressions as "I will weigh you that pen", "You have bought that bunch", or a simple "Yes", which is frequently reduced to an affirmative nod of the head or a downward movement of a whip or a cane. The buyer's language is just as direct, "Weigh them", "I will take them", or similar expressions, or a mere nod or movement of a whip. Such trades frequently involve whole train loads of stock

running into many thousands of dollars, but such a thing as either buyer or seller refusing to carry out the bargain is practically unknown on live stock markets. The market might make a big advance later in the day, which would have enabled the seller to realize a whole lot more for his stock, or there might be a big slump which would give the buyer a chance to secure stock at much lower prices, but both buyer and seller stand by their word of honor, and the stock is weighed and paid for without a quibble or a word. Once in a while there is a misunderstanding between buyer and seller, and such cases are referred to the Live Stock Exchange Arbitration Committee for settlement, which hears witnesses and passes judgment. The number of such cases is very small. The Live Stock Exchange at one of the big markets reported approximately 500,000 transactions during 1920. Out of that number of trades there arose only eight disputes that had to be settled by the Arbitration Committee.

The Rules of the Trade.—The rules governing market operations, which are practically the same at all market points, are very simple and such as are recognized in business circles as fair. For example, a buyer comes to a seller's pens and asks the price of certain lots of live stock, and the seller prices the stock, that is, names the price at which he will sell. The buyer may not immediately accept the offer, but as long as the two remain at the pens talking together the buyer has the privilege of taking the stock at the price named and the salesman cannot raise the price or refuse to sell if the buyer finally decides to accept the offer. As soon as the buyer leaves the pen and walks or rides away, the offer no longer holds. Later on, if the buyer returns and offers to take the stock at the price offered, the salesman is under no obligation to sell it. He may accept the price or he may raise it. In the same way, if a buyer makes a bid, it

holds good as long as he remains at the pens. If the seller lets him leave the pens and get away without selling the stock, the trade is off and after that the buyer has the right to let his bid stand, or to lower it, or to refuse to take the stock at any price. As a matter of courtesy, while one buyer is looking at a bunch of stock, other buyers are supposed to stay out and not interfere with the trade.

Fig. 7.—Market Scene Hog House, Sioux City, Upper Floor of Double-Decked Building

It sometimes happens that a buyer who did not buy stock that was priced to him, later on decides that he wants it if he can still get it at that price. If he happens to catch the eye of the seller, to save time and without returning to the pen, he will nod "yes", accompanying the nod with a downward movement of his whip. If the seller is still willing to take the price, he nods back "yes", and the deal is closed though

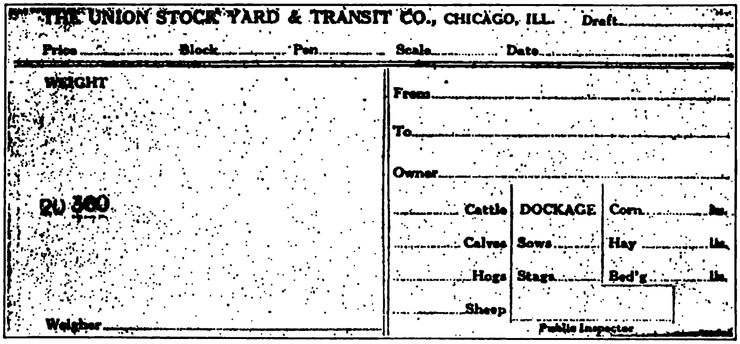
buyer and seller are a long way apart. It is a means of saving time, which counts a lot in the hurry and rush of a big market.

The Time Limit on a Market.—Usually there is a stated time for the opening and closing of a market but a market cannot open until buyers and sellers can agree on prices, though it can be made to close at any time. It is well understood that live stock in pens will shrink in weight quite rapidly, and to prevent the postponement of buying until late in the day, there is a rule at most markets forbidding buying or selling after the three o'clock whistle blows. This rule is made and enforced by commission men through their exchanges, but as a rule it does not apply to stockers, feeders, milk cows, springers, calves and downers (crippled stock). On the other hand the scale houses do not close until all the stock has been weighed, carrying the work sometimes far into the night in case of big runs of stock. At the large markets the stock yards companies have very complete electric lighting systems for this purpose.

Owner Can Sell His Own Stock.—A producer is not compelled to employ a commission man to sell his stock. Live stock exchange rules at all markets provide that the owner shall have the right to sell his own stock, but owners seldom avail themselves of the opportunity because it would be too expensive to provide themselves with a force of men to yard, feed, and weigh stock. Besides, a lack of acquaintance with buyers, and the natural reluctance of buyers to bother with strangers during the rush of business on a big market, would place the owner at a great disadvantage.

Weighing Stock After it is Sold.—After stock is sold, employes of the commission company selling it drive it to the scales where it is again taken charge of by the stock yards company, which weighs it on its own scales in the presence of representatives of both

the buyer and seller. The buyer, under the rules of the trade, is not compelled to accept any animal that is unable for any reason to walk off the scales. The stock yards company, which has not been responsible for the handling of the stock after it unlocked the pens and turned it over to the commission firm, again


THE UNION STOCK YARD & TRANSIT CO., CHICAGO, ILL. Draft

Price .... Block .... Pen .... Scale .... Date ....

WEIGHT

Weigher ....

From ....

To ....

Owner ....

.... Cattle DOCKAGE Corn .... lbs.

.... Calves Sows .... Hay .... lbs.

.... Hogs Stags .... Bed'g .... lbs.

.... Sheep

Public Inspector

Fig. 8.—Scale Ticket reduced one-half. The weight is stamped on the ticket by automatic device on the scale beam. Other information filled in by hand.

becomes responsible and must see that the stock is properly weighed and delivered to the buyer, when its responsibility again ceases.

The stock yards company, as the third and disinterested party, is called upon to weigh the stock to avoid the possibility of buyer or seller defrauding each other, or the further possibility of collusion between the two to defraud the producer.

Minnesota passed a law providing for the weighing of live stock in public markets by employes of the state, so that the St. Paul market furnished an exception to the general rule that live stock is weighed by the various stock yard companies.

Commission companies are not responsible for the weight of stock. They receive the stock, feed and water it, and do what can be done legitimately to prevent shrinkage. They drive it to the scales but

have nothing whatever to do with weighing it. Both buyer and seller must accept the official weights furnished by the stock yards company.

The scales at some market points are equipped with automatic devices that stamp the weight on tickets known as scale tickets, four duplicates being made at one time (Fig. 8). At other points, by use of carbon paper, the weighmaster records the weight, the name of buyer and seller, the pen and block numbers, and the number of head of stock on the permanent record of the stock yards company and at the same time makes carbon facsimile copies, one for the buyer, one for the seller, and one to be placed on a spindle in his office where it may be seen by any one interested. The records of the stock yards are always available in case any interested party may doubt the weights reported and desire to investigate.

Filled Before Being Weighed.—As it would be inhuman to hold stock that had been a long time on the road without feed or water, the custom has grown up of feeding and watering all stock before it is weighed. As hay and corn at the prices charged in the stock yards, do not cost as much per pound as the live stock brings, it is to the advantage of the owner to have the stock fed as much as it can be induced to eat.

This system of buying feed for an animal that may be immediately weighed up and slaughtered has been criticised as wasteful. It is claimed that it is uneconomic to compel the packer to buy corn or hay and water, at fat stock prices, that is of no value except as it goes with other offal into the fertilizer tank. Soon after the government assumed supervision of the packing houses and stock yards, packers called its attention to the subject, claiming that the "fill" increased the cost of meat to the consumer. The complainants wanted some arrangement by which no more feed or

water should be allowed animals than might be necessary to avoid suffering.

At a hearing before representatives of the U. S. Department of Agriculture held in Kansas City early in 1922, testimony was introduced showing the average gain in weight on a "fill" of corn and water at the Kansas City market to be four to five pounds per hog. An actual test on 44 cars of hogs showed gains ranging from 290 pounds per car up to 1380 pounds, the average being 6.23 pounds per head. The hogs were weighed on arrival at the yards and again after they had been given corn and water. The amount of the

Fig. 9.—Entrance to Stock Yards, Chicago.

gain is influenced greatly by the condition of the weather and the distance the hogs have been shipped.

The seller looks upon the system as the only one that would be fair to all on an average. Stock sold and weighed without feed or water would show a very uneven shrinkage. Some stock that had been a long time on the road would have an excessive loss in weight while other shipments from nearby points that had been

given a good fill before leaving home might not show any shrinkage from its normal weight. Besides, there is the ever present humane question that would loom big especially in the case of hogs in hot weather.

Settling With the Owner.—The commission man takes his scale ticket to the office where his clerical force figures what the owner has coming to him after deducting freight, yardage, feed charges, insurance, and other bills, if any. He must account for the full number of head shipped in each car. Animals arriving dead or dying in the yards and sold to rendering companies must be reported together with the money obtained for them. Also crippled or condemned animals must be accounted for. Animals lost or stolen in transit or in the yards must be reported and settled for eventually by the party responsible for the loss.

The stock yards company is held responsible by the railroads for freight bills on all stock delivered at the yards and it pays these charges and in turn charges the amount to the commission firm, carrying with the charge the number of the car, name of owner of the stock, etc. When the bookkeeper for the commission firm is ready to settle the account on a certain car of stock, he goes to the office of the stock yards company where he is given a bill for the amount of the freight and the stock yards company's charges for yardage and feed. The amount of these bills, or charges, is deducted from the money realized from the sale of the stock. The commission firm reimburses the stock yards company with a check covering all the charges for stock sold by the firm for a given period, the stock yards company being protected against loss by the commission firm's bond.

The commission company also deducts its commission for selling, the rate of commission being fixed by the live stock exchange. The commission house must adhere absolutely to the scale of commissions thus

fixed, and to either raise or lower such charges would bring it immediately before the exchange for discipline.

Co-operative commission houses do not belong to the exchange and are not subject to its rules. They have followed the practice of charging the same commissions as are fixed by the exchange. They have a system of rebates under which surplus earnings are divided among patrons who are stockholders or members of the organization, pro-rated according to the amount of stock shipped by such members. Shippers who are not members are not allowed under government rules to participate in such rebates.

An account of sales is given the shipper or owner, showing sales of stock and charges against same, and showing the balance to be paid to or sent to the owner or the owner's bank for deposit. In making a shipment, the owner of stock, if he does not accompany it to market, usually writes instructions as to how and where he wants the money sent. In the case of co-operative shipments with a large number of owners, these accounts of sales, when made out in detail, involve a lot of figures.

The commission company also settles with the buyer, making out a bill from the scale ticket, which is presented immediately to the buyer and paid promptly the same day. All deals in a stock yards are spot cash deals. If a buyer wants time, as frequently happens in the purchase of feeders, he must arrange for the money in advance, or with some one to pay for his stock, because when he finally buys the stock the cash must change hands immediately.

Competition Helps the Owner.—Competition between commission firms is naturally very strong, which is to the best interests of the man with stock to sell. The commission firm wants the producer's business, and in order to hold it must put forth every possible effort to please him, which means that he must sell all con-

signments at the highest figure obtainable. If the commission firm fails to do this it will be because of a mistake in judgment or because of some unforeseen market change.

Because of this competition between commission firms for the business, every commission house strives to have the best salesmen obtainable, and very high salaries are paid experts. The salesmen themselves are keyed up to the highest pitch, knowing that their position as well as salary depends upon making satisfactory sales, that is, sales that are in line with the prevailing market. If the salesman is in business for himself the case is the same, as he knows his present business as well as its future growth both depend upon whether he can make sales that will satisfy the men who ship to him.

It is this competition that puts the life and snap and fight into every live stock market worthy of the name. The commission salesman fights to a finish to get the highest possible price for his shipper, not to be a good fellow, but because his living and the success of his business depend upon it. The man who does not fight for his patrons will see his business go to some other commission man who is a more successful fighter.

Characteristics That Make a Salesman.—The qualities most necessary in successful salesmen, aside from a knowledge of live stock, are alertness, quickness and fearlessness. Picture a live stock market with thousands of head of stock on sale. Employes of different companies are hurrying to and fro, bringing in fresh arrivals of stock, yarding, feeding and weighing. Sellers and buyers are at a high nervous tension, everyone anxious for news and watching every move. In all the wild hurry which goes to the making of a real competitive market, to be a successful salesman requires talents and ability of a high order. He must be able to

successfully match wits with the buyers for the big packers, who are the best men that money can secure. He must be alert to catch every turn in the market, and quick to act as well as fearless in the face of big responsibilities. He is bid a price that looks good. Is it the highest that the market will stand? Shall he sell or will he, on the chance of getting a better bid, turn it down with the ever-present possibility of not being able to get another offer as good? Will the market work stronger or weaker as the day advances? These are some of the questions confronting him, but he cannot study them over. The buyer who made the bid is walking away, and the salesman must say "yes" or "no" and say it quickly. A half hour later he may know that the market is slipping (declining or easing off) just as he expected it would, and that he acted wisely in selling when he did. By the end of another half hour, after most of the stock has been sold and the trade is very dull and weak, a buyer or two who did not have any early orders may suddenly appear with urgent orders and with instructions to fill them regardless of price. The fresh buyers dodge here and there trying to pick up quietly what is left at the lower prices, without attracting attention that would cause sellers to ask more money. But the salesmen who failed to sell out at the high time and still have stock left, are quick to detect the movement. In the rush to fill their orders the buyers bid the market up on themselves, causing it to close at the highest point of the day. Thus some of the salesmen who failed to sell when they really ought to have done so, got the best of it after all. The salesman who foresaw that the market would ease off, and sold early before it did so, had no possible way of foreseeing the unexpected buying demand at the extreme close, and, in spite of his foresight, failed to get the extreme top of the day. Open competitive markets are always making just such

sudden changes. Thus it is a maxim on the market that a good salesman is the one who makes a good average, and that there is no such thing possible as a salesman who never makes a mistake.

Sell to the Highest Bidder.—It is a rule on all markets to sell to the man who bids the highest price, regardless of whether he is a packer, order buyer, trader or shipper. It is the price that determines the sale, and not the identity of the buyer or his reasons for buying.

Commission men will buy on commission for another party just the same as they will sell for another party. All commission houses buy feeders for their patrons or they will buy fat stock on orders for anyone.

The rules of the exchange will not allow commission men to buy or sell or speculate in stock for their own account nor are they allowed to sell or weigh up, to themselves or their employes, stock which has been consigned to them for sale. The object of such exchange rules is to prevent the possibility of fraud.

QUESTIONS

1. What is a live stock commission company?
2. Give an idea of the people employed?
3. Describe how stock is sold on the market.
4. What are some of the rules of the trade?
5. How is stock sometimes sold by signs?
6. What is the time limit on a market?
7. Can an owner sell his own stock?
8. Who weighs the stock after it is sold?
9. What is a scale ticket?
10. Why is stock filled before being weighed?
11. How do commission men settle with owners?
12. What is an account of sales?
13. What guarantee has the owner that his stock will sell at the market price?
14. What qualities are necessary for a salesman?
15. Do commission men speculate in live stock?

CHAPTER VII.

LIVE STOCK EXCHANGES

An exchange is a body of men representing some special line of business or industry organized for the purpose of furthering the interests of the industry as a whole and at the same time promoting and protecting the business of its members and patrons individually and collectively. There are two general classes into which exchanges may be divided:

1. Exchanges organized to encourage buying and selling, such exchanges being concerned principally with bringing together of buyers and sellers and the enforcement of rules for the protection and benefit of both. Such exchanges do not themselves engage in trade, leaving the actual buying and selling to individual members. Live stock exchanges, grain exchanges and stock exchanges (for the sale of stocks and other securities) come under this head.

2. Exchanges organized by producers or manufacturers for the control and sale of their products. Such exchanges through their officers and managers engage directly in the business of holding, storing, grading and selling the products of their members. Under this classification would come the various fruit growers' exchanges.

Live stock exchanges belong to the first class and are all organized along practically the same lines so that a presentation of the aims of one will give a very comprehensive idea of all. For that reason the following, from the published Rules and By-Laws of the Omaha Live Stock Exchange, is quoted as typical of all the live stock exchanges:

"The objects of this Association are: To maintain a commercial exchange; not for pecuniary gain or profit, but to promote uniformity in the customs and usages of members; to inculcate principles of justice and equity in trade; to enforce correct and high moral principles in the transaction of business; to inspire confidence in the methods and integrity of its members; to facilitate the speedy adjustment of business disputes; to acquire and to disseminate valuable commercial and economic information; and generally to secure to its members and patrons the benefits of co-operation in the furtherance of their legitimate pursuits."

Origin of Live Stock Exchanges.—The first exchange was organized to settle a never-ending dispute between commission men and packers regarding the dockage or shrinkage of hogs. Previous to 1884, when a car load of hogs was sold it was left to the buyer and seller to agree as to the dockage on stag hogs and pregnant sows. The wrangling and offensive tactics adopted by some buyers to secure more than a just dockage at last rendered the system intolerable. Chicago commission men called a meeting of both buyers and sellers and after a considerable time succeeded in formulating an agreement to have the docking or shrinking of hogs done by a disinterested party to be employed jointly by commission men and packers. To keep alive this agreement the Chicago commission men formed a permanent organization, incorporating it in March, 1884, under the name of the Chicago Live Stock Exchange. Other markets followed the lead of Chicago.

The Fixing of Commissions.—An organization having been formed it was natural that after settling the hog dockage problem other questions should be taken up. One of the next moves was to fix or standardize commissions for the sale of all kinds of live stock. Be-

fore this was done each commission firm charged what it liked. Different firms not only had different schedules but they charged different men different prices for the same service. Thus a shipper who had influence over his neighbors could, by inducing them to ship to a certain firm, get his own stock sold for half commission, or sometimes entirely free of charge. Under this system the little shipper paid full commissions while some of the bigger ones paid little or none at

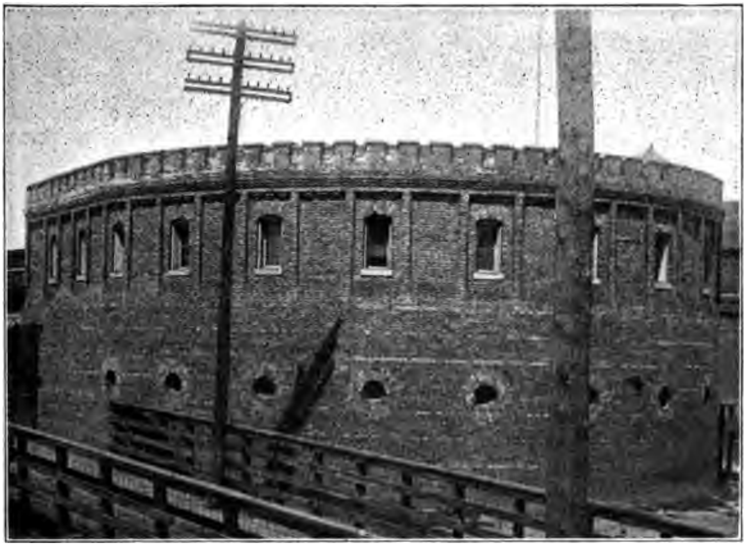


Fig. 10.—Pure Bred Sales Pavilion, Omaha.

all, according to the size of their business and the extent of their influence.

The majority of producers shipping to market were agreed that uniform charges should be maintained in the interest of fairness. The actual amount of commissions to be paid was an entirely different question, and one that has given rise to more or less criticism. Such criticism, however, is only a continu-

ation of the world's oldest commercial controversy between the men who render service and the men who pay for it, a controversy that will never end so long as men do business together.

The commission charges for buying and selling live stock are fixed by each individual exchange, and apply only to the market where the exchange making the schedule is located. Thus different markets may have different commission charges, but as a rule they are not very far apart. The commissions prevailing at any point are subject to change by action of the live stock exchange. A schedule of commissions in force on any market can be obtained by anyone interested by writing the secretary of the live stock exchange at that point.

Rules to Prevent Fraud.—All the exchanges have very stringent rules for the regulation of their members and severe punishment for their infraction, ranging from fines to expulsion from membership. These rules are all in accord with state and federal laws governing business transactions, but they go much farther in that they prevent acts not in themselves illegal but acts that might lead to wrongdoing, dishonesty and fraud. These rules not only protect commission men in their relations to each other but at the same time protect the commission men's customers, both buyers and producers.

When a complaint is lodged against a member, a regular hearing is held after the manner of a court of law. Witnesses are summoned and give sworn testimony and a verdict is rendered on the evidence. If the defendant has been guilty of fraud to merit such severity, he may be expelled from membership, which at most points means that he can no longer do business in the yards. In other words, he may be forced to give up a business that cost him a large investment in money and years of hard work. It makes no differ-

ence whether the complainant is doing business in the yards or in the country.

Knowing the speed and certainty with which exchanges act, as well as the severity of the punishment, there is no encouragement for men of dishonest tendencies to engage in the commission business. Another fact that has rendered the live stock commission business a very unattractive field for men contemplating dishonest practices, is the requirement that each commission man or salesman must have an exchange membership, and that such memberships have ranged in value, at different times and points, all the way from one thousand to five thousand dollars. This initial expense together with the exacting rules of the exchange has a strong tendency to maintain the personnel of the commission business at a high average standard. At some markets the exchanges have arranged for bonds to still further reduce the hazard of the owner or shipper of live stock, each commission firm being bonded for a sum large enough to cover an average day's business.

Exchange Clearing House.—Some of the exchanges maintain a clearing house for expediting the collection of money from buyers of live stock. It requires a manager and several clerks to handle the business. Commission men send their bills to the clearing house and buyers send their checks in payment to the same place, thereby saving both time and trouble. To still further expedite the return of money to the country the same night, the packers at some points do not wait for the making out of a bill but stamp the scale ticket, making the amount called for on the ticket payable at the packers' bank. Such scale tickets are cashed or deposited at the banks the same as checks. All these little time savers loom large when the extent of the business, running into millions of dollars per day, is taken into consideration.

Important Departments.—Most of the larger exchanges employ a special traffic manager skilled in railroad matters to handle transportation troubles of shippers and to collect loss and damage claims. The charge for this service at the different markets is around fifteen per cent of the amount collected. If nothing is collected there is no charge. If legal action is necessary the charges run up to around thirty-three and one-third per cent of the amount recovered. The same charge is made for recovering overcharges. At the larger markets a big force of clerks in addition to a high salaried expert attorney is required to carry on this work.

The spread of tuberculosis among domestic animals, and the condemnation to fertilizer tanks of such animals by government inspectors, caused such heavy losses to both producers and packers that some of the larger exchanges took up the work of encouraging the eradication of the disease. Experts were employed with assistants and office help to carry on an effective campaign. The exchanges work in co-operation with the U. S. Department of Agriculture and various state organizations and departments. The National Live Stock Exchange has also taken up the work, which has added much strength to the movement for the eradication of the disease.

The National Live Stock Exchange.—The local live stock exchanges are united into a national organization known as The National Live Stock Exchange. The purpose of this organization, as set forth in the preamble, is "the promotion and development of the live stock industry in all its branches, and the protection of the interests involved." Meetings at which local exchanges are represented by delegates are held each year for the consideration of questions of national interest. At the time of the annual meeting in May,

1922, twenty-eight local exchanges held memberships in the national body.

QUESTIONS

1. What is an exchange?
2. Describe the two kinds of exchanges.
3. What is a live stock exchange?
4. What was the origin of live stock exchanges?
5. Describe the growth of exchanges.
6. How do the exchanges prevent fraud?
7. What is the claims department?
8. Describe the anti-tuberculosis work.
9. What is The National Exchange?

CHAPTER VIII.

PACKERS AS BUYERS AND DISTRIBUTORS

The word "packer" as understood on a live stock market is applied to any firm or corporation, large or small, using modern methods for the production of cured or fresh meats and other meat products for the general trade. The expression "packer buyers" as used on most markets refers only to those packers having plants at that particular market. Packers not located at or in the immediate vicinity are usually called outside packers and, as a rule, are represented by what are known as "order buyers."

The old time packer was one who packed, in other words put down, cured meats. The perfection of artificial refrigeration worked a complete revolution in the packing business and was the real beginning of present day methods of handling meat products and marketing meat-producing animals. The appearance of the refrigerator car in 1875 added greatly to the possible range of distribution of fresh meats, thereby increasing consumption enormously. The possession of refrigerator cars by the big packers has been criticised in recent years as giving them an unfair advantage over smaller packers not having cars and enabling the owners of such cars to outbid the others on the live stock markets and undersell them in the meat consuming centers.

Another big step in modern packing methods was the establishment, by big packers, of wholesale houses with refrigerators at all the leading consuming centers of the country. Fresh meat, regardless of weather conditions, is loaded out of the refrigerator rooms or

Fig. 11.—Exchange Building, Denver.

coolers of the packing houses, into refrigerator cars, and on arrival at the consuming point is unloaded into the refrigerators of the wholesale houses, or into the refrigerator rooms of ocean liners for export to foreign countries. The retail shops take the meat from the wholesale houses for distribution to consumers.

This system of distribution through wholesale houses takes care of the chief centers of population, but there are hundreds of towns too small to justify the operation of a wholesale house, and these points are supplied by special refrigerator cars that make regular trips over the different lines of railroad, stopping at the various towns and delivering whatever may have been ordered in the meat line. These cars are known as route cars.

Modern Methods Increase Meat Eating.—With their wholesale houses and route cars, fresh meats of all kinds, in perfect condition, will be found regularly

in southern as well as northern markets, not merely in winter but in summer as well, when local butchers would be unable to operate on account of the extreme heat without refrigerating service. The thoroughness and regularity with which the packers have been able to distribute fresh meats has practically put the small local slaughterer out of business, and this has given rise to no little controversy. The system which has built up big packing plants at centralized markets has been severely criticised, sometimes because it put the small man out of business, and again because it was claimed to be uneconomical to ship cattle from country stations to the central markets and haul meat back in refrigerator cars. The packers' contention is that the competition afforded by the centralized market gives the producer a better price for his live stock than he could obtain by selling direct to the small local slaughterer, besides being more convenient; also that his economical use of the by-products enables him to sell meat cheaper than the local slaughterer can, thereby making up for the apparent wastage in transportation. That does not settle the controversy by any means, which is only a special phase of the perpetual contest between men and interests that are always fighting for trade supremacy.

The method of sealing meat in tin cans was perfected about 1879, and was all that the packer needed to make his distribution of meat products world wide, regardless of distance or climatic conditions.

Little by little the modern packer has discovered methods of handling and utilizing the material derived from slaughtered animals so that there is practically no wastage. It is claimed that none of the industries has surpassed and few equaled the big packing plants in point of speed, efficiency and mechanical equipment for the most economical use of waste material and by-products.

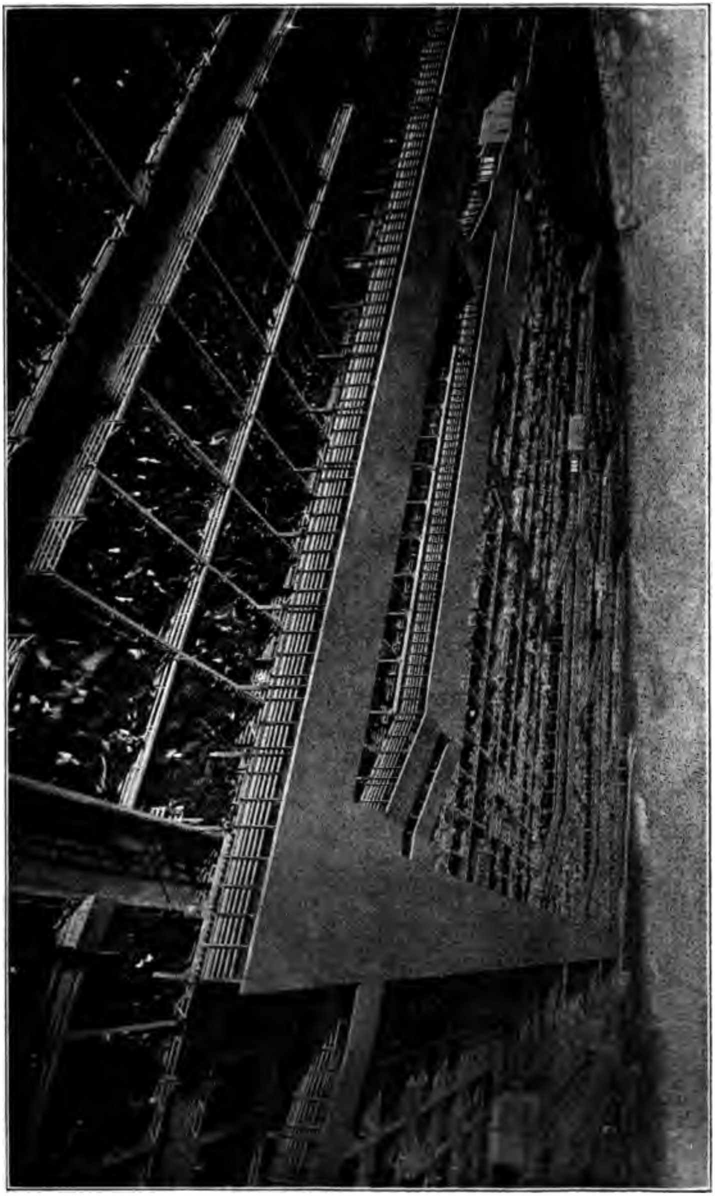


Fig 12.—Kansas City Stock Yards.
Looking northwest from the Exchange Building.

The product goes to the trade in the various forms of fresh, canned, smoked, salted and pickled meats. The by-products are utilized for the manufacture of a hundred or more different articles of commerce, ranging all the way from cheap bone buttons to the basis for high explosives.

Competition Between Packers.—By reason of the fact that the packers endeavor to supply every section of the country, as well as foreign countries, with the particular kind and quality of meat products demanded, they are able to buy practically all kinds, classes and grades of live stock suitable for slaughter. Therefore the packers, as previously noted, are the mainstay of the market, and really no other buyers would be necessary for the making of a fat stock market were it not for the need of a wider range of competitive buying.

In days gone by it was frequently charged that the big packers had some kind of an agreement to reduce competition, but now it is generally felt that under government supervision they are buying independently. But even if they are, sellers are always aware of the fact that it is a simple matter for a few buyers, all buying for houses located close together, to go a little easy and not intentionally bid the market up on each other as much as they might were the competition keener or more relentless. Thus a market limited to the buying of local packers is never entirely satisfactory, and sellers are always anxious for more competition, the more the better.

For the reasons noted, sellers have always striven by every means possible to encourage competitive buying from every available source. Due partly to their efforts, and partly to natural causes, there are at the larger markets a great many buyers representing very diverging interests. So great has become the buying power of these various interests that they cut a very

large figure in the trade, taking, on an average, a considerable percentage of the total receipts. A survey in 1921 of the twelve largest markets showed that sixty-nine per cent of the total receipts were slaughtered at those points, leaving thirty-one per cent of the receipts for buyers other than local killers.

QUESTIONS

1. What is meant by a packer?
2. What are "packer buyers?"
3. What change has artificial refrigeration made?
4. How do packers distribute fresh meats?
5. Explain how packers increase meat eating.
6. How has the art of canning helped the business?
7. What is the packers' influence on the market?
8. Is there competition between packers?
9. Why do sellers want other buyers?

CHAPTER IX.

BUYERS OTHER THAN PACKERS

Buyers for the local packing houses at all the big markets take a large percentage of the receipts, as noted at the close of the previous chapter. There are, however, other buyers whose total operations run into large figures ~~and~~ who perform a most valuable service in the way of additional competition.

In every large city there are some retail meat market men who buy stock to be killed at their own slaughter houses instead of buying meat from the packers. These men are known on the markets as local or city butcher buyers.

Frequently a number of local butchers will organize and operate a large slaughter house that in point of size may almost equal some of the smaller packing houses. At some markets companies have been organized for the special purpose of killing out stock for the local dealers. Where markets are located at large centers of population, the local butchers buy considerable numbers of cattle, hogs and sheep, and thereby give the market much added support. The local butcher is particularly helpful in affording an outlet for the one and two head lots that otherwise would be hard to dispose of at satisfactory prices, as many of the big packers do not care to bother with small lots.

For example, a packer buys one or more cars of fat steers of a certain grade and weight required in the filling of special orders. Included in that shipment there may be a fat heifer or a couple of light steers that the packer will not take because they are

not suitable for his order. They are thrown out and the commission firm has them left on hand. The local butchers buy a great many such cattle. They are also at some markets the chief buyers of "downers", or cripples, that may have been injured in shipment, or of "slow" hogs too heavy on their feet to walk over the sales.

Men Who Buy on Orders.—Order buyers make a business of soliciting orders to buy fat stock of all kinds for packers or slaughterers located at a distance from the market on which they operate. These men exert at times an enormous influence on the trade. When prices are breaking and the market becomes relatively lower than at other selling points, order buyers are quick to act. They wire the amount of the break and the prices at which they can buy grades in which they know their customers are interested. The resultant orders to buy have a naturally strengthening effect upon the trade. They also have a steadying effect upon the trade of the country as a whole, tending to prevent one market in a certain section from remaining relatively lower than other markets. The operations of order buyers must also have the counter-effect of tending to prevent one market from advancing to a point that would be out of line, as buyers at such points would be inclined to switch buying orders to other markets that happened to be lower.

Shippers.—The term "shipper" is very loosely applied to operators performing services that differ quite widely. (1) In the first place it is commonly used to designate the man who buys stock in some certain locality for shipment to market as distinguished from the farmer, stock grower, or producer, who ships his own stock. (2) Then in a broader sense it is applied to any person who ships to market. (3) A third usage is to describe one who buys on a market for shipment to another market. The buying and shipping may be

for speculative purposes or it may be on orders. In this case it will be noted that the word "shipper" sometimes is used in the same sense as the term "order buyer".

The shipper, who buys stock on days when there is a surplus and when prices in consequence are lower, is a decided help to the seller. Buying on the part of shippers when prices are breaking, and the shipment of the stock to other markets for sale, frequently affords relief to a badly overloaded market, and in that way helps to arrest the downward movement of prices. Markets lacking a sufficient number of packing houses have frequently been forced to rely to a considerable extent upon shipper buyers whenever receipts happened to be a little large or when the requirements of local packers were light.

Speculators or Scalpers.—Speculators, scalpers, and traders are terms all meaning about the same, and are descriptive of men who buy stock on the market with the intention of selling it again for speculative purposes. Their methods as well as the extent of their operations vary greatly at different times and on different markets. The speculator has always been the subject of a three cornered discussion between packers, commission men, and producers, amounting at times to a real fight.

Commission men have generally favored the speculator, claiming that he can be depended upon to buy when prices are breaking because of liberal receipts or because packers are temporarily out of the market. Commission men are frequently able to play the speculator against the packer and partially at least thwart the packer's attempts to break the market. At other times the commission salesman makes good use of the speculator to increase the competition among buyers and by that means advance the market. However, no one ever sells to a speculator unless his offer is the

best, the rule of the market being that the highest bidder gets the stuff.

Packers Object to Speculators.—The packers oppose the speculator for the same reason that the commission men favor him. They resent having speculators step in and buy stock, knowing that if it were not for the speculators they would be able to secure it at lower figures. Packers are also unfriendly to the idea of allowing speculators to buy up stock when receipts are excessive, knowing that they may be forced to buy it back a day or two later when receipts are smaller and prices higher. They have also been very adverse to the custom of speculators buying and shipping stock to other market points. Because of this feeling, packers at some points have waged war on the speculators and at times have practically driven them out by refusing to buy anything from a speculator or anything that they suspected was owned by a speculator. A steadily declining market is always hard on speculators, and sometimes natural losses from a season of unfavorable markets will put many of them out of business.

Speculators Make a Place for Themselves.—On the other hand, at some of the larger markets the speculators have made a place for themselves and are recognized as an essential feature of the market, such being the case more especially in the hog trade, as for example at Chicago. The reason for this situation is due largely to the fact that receipts consist principally of car lots of mixed hogs of all classes and grades, while the best demand, and the demand that will pay the best prices, calls for hogs of a definite weight and quality. Thus it has come about that the speculators buy a very large percentage of the mixed hogs received at Chicago because they will pay more for them mixed than other buyers will pay. They can do this because they can sort out of these loads cer-

tain classes and grades that will command a premium over those which mixed hogs are worth as packers.

This is the way it works out: A speculator having secured a number of cars of hogs, amounting sometimes to a thousand or more head, will sort out, for example, the fair to choice butcher hogs for an order buyer who wants that particular kind only. Another buyer will take the fair to choice light hogs, still another wants the selected 165 to 190 pound weights, while the selected 140 to 160 pound weights will go to still another. The desirable heavy grades are sorted out in the same way. The light lights and stock pigs go to buyers of that class and, finally, after all the various select grades have been disposed of, the packing grades are left and cleaned up by the packers. But even in the case of packers there is a difference, some packers preferring the lighter averages while others will take the heavier and rougher grades.

Different Buyers Want Different Classes and Grades.—The fact that different buyers want different weights and quality is not the result of freakishness or mere opinion on the part of the buyer. It is based on the fact that different countries and different sections of the same country demand different classes and grades. For example, the New York trade calls for so many select light hogs weighing 160 to 190 pounds that hogs of that particular weight and kind have come to be known as Yorkers on the market. On the other hand, a particular grade of heavy hog was very popular with buyers at Philadelphia. Other localities prefer other grades, many times the grade wanted depending upon the final destination of the product. Thus the export trade to certain European countries calls for certain classes and grades of hogs. The English demand is largely for the bacon type, that is, the long slender body. One class of Canadian and English

trade demands a certain grade of bacon hog that is known on the market as a "singer" because in dressing the hair is removed by singeing instead of scraping.

Packers Want Different Grades at Different Times.—The grade of hog purchased by the same packer may vary widely at different times, depending upon the kind of product that his selling orders are requiring. Thus, at one time he may be an active buyer of very heavy fat hogs of the lard type, because he happens to be selling a large quantity of lard or be-

Fig. 13.—Unloading Chutes and Concrete Hog House, Sioux City.

cause he may be storing away lard with the expectation that a demand will develop for it in the future. At another time he and all other packers may be extremely poor buyers of heavy lard hogs because the lard market may be low and glutted, with little buying demand.

Selling Hogs to Speculators Criticised.—The system of selling mixed hogs to speculators has been criticised by producers on the ground that they were supporting a lot of middlemen, and that it ought to

be possible to operate the market without them. On the other hand it is claimed that in order to realize the highest possible price for hogs they must be sorted and sold to different buyers. Furthermore, it would be impossible to sort individual cars. For example, a car of hogs from one owner might contain two or three butcher hogs, but it would be impossible to get a buyer wanting anywhere from one car to a train load to bother with looking at and buying and watching the weighing of a little bunch of two or three hogs. The same car might also have a few head of select light weights, but again it would be impossible to get a buyer to bother with such a small lot, and so on with all the different classes represented in the car. Thus it is claimed that the only successful way is to throw a number of mixed cars into one bunch so as to have enough hogs of one class and grade to make it worth while for a buyer to bother with them. No plan, without opening the way for fraud, has yet been devised to overcome this difficulty without selling outright to a bona fide buyer. Therefore the commission firms say they are forced to sell the most of their mixed hog receipts in the same shape that they arrive from the country. As speculators will frequently pay more for mixed lots, it follows that they get them. If other buyers would take the mixed cars just as they come from the country at a higher price than the speculators would pay, they would get them and the speculator would be eliminated. At some market points where the hogs arriving from the country run very even, being largely of the same weight and grade, or where there is very little order buying, speculative buying cuts a very small figure.

Buyers for Export Trade.—"Export buyers" is a term applied to the buyers of live stock for export on hoof to foreign countries. Owing to the length of the trip and consequent losses that would result, hogs are

never exported alive to Europe from this country, and sheep seldom so. The export of stock alive to foreign countries is therefore limited very largely to cattle. It was about 1874 that the United States began shipping live cattle to Europe, and the trade for many years cut a very important figure in the live stock markets. A great many individuals and firms made a business of buying cattle for export. Some of the big packers also engaged in the trade, and now and then a big feeder from as far away as Kansas or Nebraska would take his own beeves to England. A considerable fleet of boats was engaged in the carrying trade, the exporters engaging space in these boats in advance. The high water mark of the export trade was reached in 1902-1906 when an average of over a half million head of cattle per year were shipped from the United States on hoof to foreign countries. The trade gradually decreased, due to various causes, until it ceased to be an item of much importance. In 1921 there was a revival of this trade, over a hundred thousand head being exported during that year.

QUESTIONS

1. What is meant by city butcher buyers?
2. What is an order buyer?
3. How is the word "shipper" used?
4. What is a trader, speculator or scalper?
5. Why do commission men favor speculators?
6. Why are packers against speculators?
7. How do speculators deal in a big hog market?
8. Why do producers object to speculators?
9. Why do different buyers require different grades?
10. Why do buyers' wants change?
11. What is an export buyer?

CHAPTER X.

HANDLING STOCKERS AND FEEDERS

The development of the trade in stocker and feeder cattle, hogs, and sheep, at the centralized markets, has been very rapid during recent years. To begin with, the corn belt wanted more stock than it could produce to utilize its surplus feed. The only way to secure such stock was to buy it from those sections that were able to breed more than they could fatten for market. In the early days big feeders at times would visit western ranches where they would bargain for the cattle or sheep desired, buying their stock on the range direct from the producer. Such trips were expensive, both in time and money, and frequently the would-be buyer was forced to return empty handed because he did not happen to find the owners in a selling mood. At the same time producers were shipping to market grass-fed stock intended for killers, but always containing a certain percentage too thin in flesh to interest packers. These thinner animals, both cattle and sheep, were just what the farmers in the corn belt wanted to consume their surplus feed. Thus farmers early gained the habit of visiting the big markets when they needed stockers or feeders, and producers, finding that there was a market for thin stock, increased their shipments of that kind. In this way the stocker and feeder trade naturally centered at those live stock markets that were most convenient for both buyers and sellers. Kansas City, Omaha, Chicago, St. Paul, Sioux City, Denver, and Fort Worth are prominent among the markets that handle large numbers of stocker and feeder cattle.

Chicago, Omaha, Kansas City and Denver receive a great many feeder sheep.

In the early days only cattle and sheep could be re-shipped from a central market for stocker purposes or to be fattened for killers. It was not possible to handle hogs in that way because of the danger of spreading cholera. With the discovery and perfection of the method of vaccinating hogs against cholera, it became possible to ship stocker and feeder pigs also. St. Paul, Kansas City, St. Louis and Fort Worth are important centers of the feeder pig trade, while other markets handle considerable numbers.

Handling Stocker and Feeder Cattle.—The desire of the feeder-buyer for cattle of uniform color and weight, because such cattle handle better, feed better, and sell better, is responsible for the fact that the trade is managed largely by men who are known on the

Fig. 14.—Buying Feeder Cattle, Omaha. Telephone booth in corner of pen. Scale house in background.

market as traders or dealers in stockers and feeders. At the large markets these men cut a very big figure in the trade and afford an outlet for a vast number of cars of cattle too thin in flesh for profitable slaughter. They buy carloads of mixed cattle just as they arrive from the ranches and farms, that is, cattle of all sizes and colors and weights, suitable for stockers or feeders. The trader drives these cattle from the scales to the feeder division where each individual or firm engaged in the business has certain pens assigned to his use, the same as pens are assigned to commission men.

Sorting Feeder Cattle.—The trader sorts up his day's purchase to fit, as nearly as possible, the buying demand from the country. For example, he will sort according to color and breeds, and will shape up the cattle into carload lots according to weights. Thus he is prepared to accommodate a buyer from the country wanting, for example, a bunch of Hereford feeders of a certain average weight. Other buyers wanting cattle of the same breeding but of different weights will find them also. Then there are the men who prefer black cattle, and others that will feed nothing but Shorthorns, and still others that want Shorthorns or Herefords but must have them dehorned. Some want cattle of the best breeding, evenly matched in color and weight, with the idea of making the choicest grade of market toppers. Other men have no desire to secure the best, believing that fair to good quality at a lower price is a better prospect for profits. Still others, on the theory that when cattle are fat the packer does not question the color of the hair, will buy the lower priced off-colored and nondescript-colored cattle, provided they are even in weight and give promise of taking on flesh. Now and then there is a buyer who will take the lowest grades because they can be purchased at a big discount compared

with the better cattle, on the theory that when fattened the difference in price between them and the best cattle will be narrower than it was when they were bought as feeders.

May Do His Own Buying.—The buyer of feeder cattle from the country can follow his own ideas as to buying (Fig. 14). He can buy the cattle himself direct from the commission firm representing the man who brought them in from the country, or from a trader, or he can go to his commission man who will buy the cattle for him, charging him the regular commission for such service. Some feeder buyers, after looking over the market and making up their minds as to the kind of cattle they want, will return home leaving an order with their commission man to buy and ship when he can get something that looks worth the money. This places the responsibility entirely on the commission man, who will endeavor to buy cattle at a price that when fat and returned to him for sale will make his customer a satisfactory profit. Others prefer to have the cattle bought while they are present to sanction the deal and take the cattle back with them.

A commission man buying feeders may go to a trader where he can find just what his customer wants, or he may buy from another commission house that has a shipment direct from the country, provided his customer happens to see such a lot of cattle of the right grade, number and weight. It is difficult, however, to get another commission company to sort up, that is, throw out, cattle that are not of the color or weight that the man from the country wants, because in so doing the commission company is left with odd cattle on hand that are a good deal harder to sell than full car loads. Besides, odd cattle usually sell at reduced prices, thereby causing the original owner a loss. Thus a feeder buyer, if he buys cattle direct from the country, must, as a rule, take them just as they arrived.

Opposition to the Trader.—Because of being middlemen, the dealers in stockers and feeders have been criticised, but they were brought into existence by the demand on the part of buyers for stock sorted to one kind, grade, and weight. Commission men follow the plan of selling to the highest bidder, and yard traders are able to get stock by out-bidding other buyers. They can do this because the man from the country wanting a car or two of cattle to fatten will not pay as much for mixed cattle as will the yard trader, who, by throwing a number of cars together, can sort them up in a way to make them more desirable. Critics of the system have given considerable time to the study of this question with the idea of finding some other method of managing the feeder trade, but so far without definite results. The great difficulty is to discover some method of giving the buyer what he wants without jeopardizing the interests of the producer of the cattle.

Handling Feeder Sheep and Lambs.—The methods employed in the handling of feeder sheep do not differ very materially from those in use in the cattle division. Both sheep and lambs bred largely in the range country and shipped eastward, are sold at the big central markets and taken back into the country to be fattened and later returned as corn fed lambs or mutton sheep (Fig. 34). A very large percentage of these feeder lambs were originally shipped from the range for killing purposes, but such shipments on arrival are frequently found to contain a good many thin or light lambs that must be sorted off (Fig. 36) for feeders while the packers buy the fat end. A good many old breeding ewes are sold in the same way. Natives are not regarded as desirable for feeding purposes.

The trade in sheep is conducted along these lines: A commission man with a train load of sheep or lambs,

part of them too thin for killers, will show them to the different buyers. The packer buyers will estimate in their own minds what proportion of the bunch is fat enough to kill, and make their bids accordingly. Thus

Fig. 15.—Spraying Feeder Pigs Before Shipment to the Country, Omaha.

a packer figuring that seventy-five per cent of them are fat enough for killers, will bid a certain price per hundred pounds for the train load, with a twenty-five

per cent cut. If the bid is accepted the buyer's assistants will handle or feel of each individual and mark with a piece of chalk the backs of those too thin for killers. Then those so marked are thrown out, up to twenty-five per cent of the total number. The ones sorted out are known as the thin end and the commission man has them left on hand to sell as feeders, while the packer takes the fat end. In other cases, especially where the percentage of thin stock is greater, a trader might buy the whole bunch. In that case the trader would do the same as the cattle trader, sort up to please his customers. He might sell one or more cars at a time to go back to the country without sorting, or he might sort off the fat end for killers.

Sometimes the commission man will do the sorting, selling the fat end to the packer offering the best price, and the feeders to the highest bidder, either a yards trader or a man from the country. The idea in the mind of the one selling is to secure the highest possible price for his train of sheep or lambs, and he adopts whatever plan seems best to him to secure that end.

The shipment of feeder sheep and lambs to the country for other purposes than immediate slaughter comes under state regulations. These regulations many times are such as to compel the dipping of feeder sheep for the eradication of scab. This work is done under the supervision of the federal authorities.

Handling Stocker and Feeder Pigs.—The trade in swine for feeding purposes had its beginning years ago in a small way, and for a long time little or no progress was made. There was always a good demand for such stock in the corn belt and at the same time plenty of stock pigs to be had in certain localities not well supplied with feed for fattening purposes. It would appear a simple matter to transport the pigs to the feed, but it required years to solve the problem

because of cholera and other swine diseases. A few farmers in the corn belt would occasionally buy a few pigs and ship them direct to their farms from the place where they were bred, but they took big chances in doing so and the losses were so large as to discourage the growth of the trade. Because of the danger of spreading disease, Federal regulations would not permit the shipment of hogs from a public stock yards for any purpose except immediate slaughter.

Fig. 16.—Feeder Pigs in Drying Rocm After Spraying, Kansas City.

The discovery and gradual perfection of anti-hog cholera serum finally paved the way for an enlarged trade in stocker and feeder pigs. In 1914 the Bureau of Animal Husbandry of the U. S. Department of Agriculture put into effect regulations under which swine could be shipped from public markets for stocker or feeder purposes. That date marked the real beginning of the trade on a sound commercial basis and made possible its rapid growth.

At the present time all markets handle stock pigs but buyers are dependent to a considerable extent upon pigs bred in the northwest, which are marketed principally at St. Paul, and those bred in the south and southwest, which are marketed in large numbers at

St. Louis, Kansas City, and Fort Worth. At these markets the trade is handled largely by dealers who make a regular business of buying, vaccinating and selling stock pigs. Their operations are under very close government inspection and supervision and no pigs or hogs can be shipped from the public stock yards until they have complied with the regulations providing for vaccination and spraying (Figs. 15 and 16) with a disinfectant.

While the Bureau of Animal Industry is doing its part to enforce the most rigid regulations to protect the buyer, there is still a certain amount of risk unless the buyer does his part and does it well. To prevent unnecessary loss, stock pigs recently vaccinated on arrival at the buyers' farm must not be driven any distance but should be unloaded into dry sheltered pens with plenty of clean bedding and fed lightly. An abundance of clean water is very important. Unacclimated and recently vaccinated pigs in an open feed lot or forced to sleep in muddy and wet pens are very apt to contract fatal lung trouble.

Commission men will buy stocker and feeder pigs on orders for their patrons. At markets where there are no dealers, they buy up the pigs just as they come from the country and have the vaccinating, spraying, etc., done under government supervision. The hogs are then shipped to the purchaser in the country.

Some buyers still follow the practice of purchasing their stocker and feeder pigs in the country where they meet and deal direct with the producers. Others purchase them from or through agents or shippers who make a business of buying and shipping stock pigs. The shipment of pigs from the farm where they were bred, to the farm of the buyer, without going through a public stock yards, is subject to state sanitary regulations which differ quite widely in different states. These regulations require, among other provisions, that

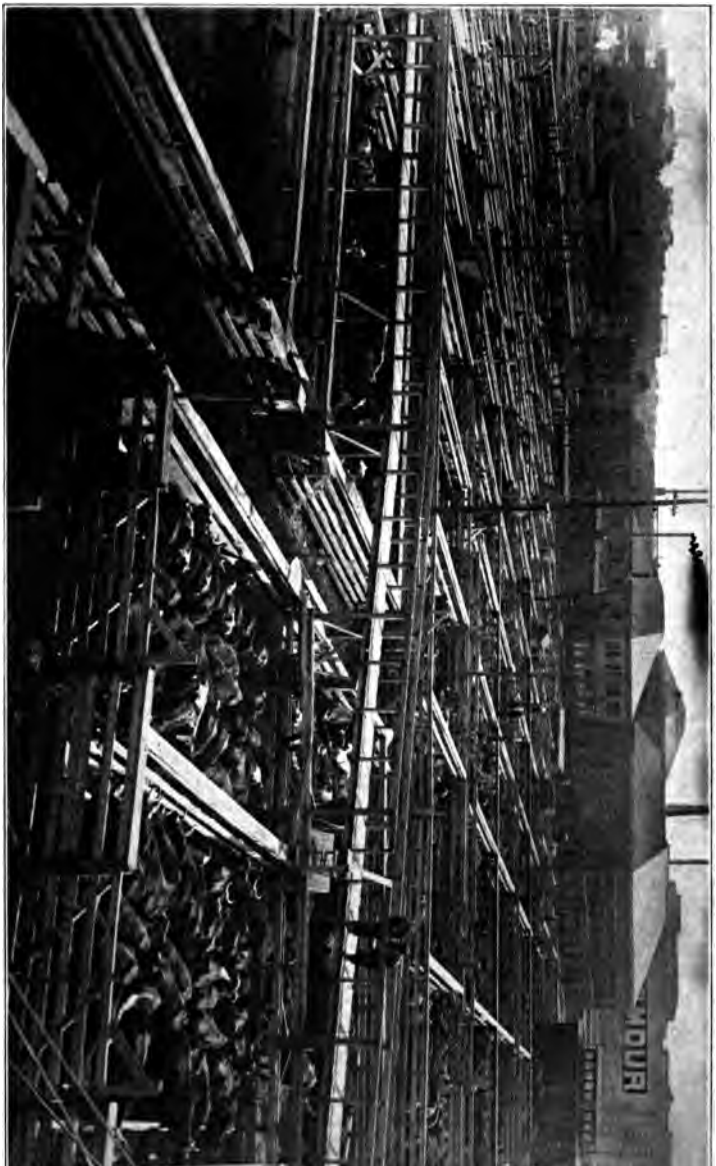


Fig. 17.—Omaha Stock Yards.
The Exchange Building and a corner of the Armour packing house in the background.

the pigs be vaccinated either before shipment or after they arrive at the buyer's farm.

Traders are Organized.—The speculators, or traders, as they prefer to call themselves, and dealers in all kinds of feeder stock at the different markets, are organized the same as are commission men, into exchanges known as Traders' Live Stock Exchanges. The object of such exchanges, as set forth in the articles of the Chicago Traders' Exchange, is "to promote and protect all interests connected with the buying and selling of live stock, to cultivate courteous and manly conduct in the transaction of such business and give dignity and responsibility to yard traders." The rules are very stringent covering unfair and dishonest practices. These exchanges are organized along lines very similar to those maintained by commission men, and the two co-operate very closely.

The traders, in 1922, had exchanges at the ten leading markets where feeders are bought and sold. These exchanges, known as Traders' Live Stock Exchanges, are united into the National Traders' Live Stock Exchange.

QUESTIONS

1. Why is the feeder trade centralized at the big markets?
2. Mention some of the big feeder cattle markets.
3. What markets handle a good many feeder sheep?
4. What three markets are prominent in the stock pig trade?
5. Why do speculators handle most of the feeders?
6. What name is applied to such speculators?
7. How does a trader sort his feeder cattle?
8. Can a farmer buy his own stockers and feeders?
9. How do commission men buy feeders?
10. Can they buy direct from the producer?
11. Why is the system of handling feeders criticised?
12. How are feeder sheep handled?
13. What is meant by a 25 per cent cut?
14. Explain how sheep are sorted.
15. How are stock pigs handled?
16. How are speculators, or traders, organized?
17. What is the object of traders' exchanges?

CHAPTER XI.

BANKS AND LOAN COMPANIES

Figures given out by the Bureau of Census, Department of Commerce, show that the meat packing industry is the largest in volume of business of any manufacturing industry in the United States. The steel industry, which is so great that bankers and financiers have been accustomed to regard it as a barometer indicating, by its up and down movement, the future trend of business as a whole, is second to the packing industry. The automobile manufacturing industry, in spite of its marvelous growth and development, ranks third in the list.

The Census Bureau figures, covering 1,305 packing establishments, show that for the year 1919 the packers paid out for raw materials, mainly live stock, $3,774,901,000, and that the manufactured products totaled $4,246,290,000. Taking into account the fact that the live stock all had to be paid for in spot cash, while the product for the most part was sold on time, it will be understood at once that vast sums of money are required to finance the packing industry.

In addition to that, other very large sums of money are required to finance the producing end of the industry. The production of range stock is conducted on credit to a considerable extent, and the same is true of feeding cattle and sheep in the corn belt.

The financing of the producers is taken care of largely by live stock banks, located generally at stock yards; by live stock loan companies, and by commission houses and country banks loaning direct to producers.

The first live stock bank located at a stock yards was organized at Chicago in 1868, and is still in operation. There are one or more live stock banks at thirteen of the most important markets, their business being devoted very largely to the live stock industry. Their combined loans, for feeding or breeding purposes, or for other phases of the industry, will run from $75,000,000 to $100,000,000, depending on the season of the year and general conditions. At some market points packers are large stockholders in the banks, realizing how important they are for financing the different branches of the live stock industry.

The functions of a live stock bank are not confined to loans, however. The demand for them came to facilitate settlements in marketing live stock and to get the returns back to the country promptly. In other words, they serve as a clearing house for sales of live stock on the market. Because of the fact that live stock marketing is on a strictly cash basis, the total volume of business handled by a live stock bank is very large. One bank, probably the largest stock yards bank in the country, has a record of $37,000,000 handled in one day, and its total business in a year's time will run from three to six billion or more dollars, depending on current prices of live stock and extent of the receipts.

The live stock bank also helps to finance the live stock industry by the purchase of live stock paper from country banks.

Money from Other Sources.—A live stock loan company is a corporation, not controlled by the banking laws, that makes loans on breeding or feeding stock, selling the paper wherever it can to greatest advantage. The paper goes everywhere, and during the past fifteen or twenty years the live stock loan companies have been an important factor in the industry, particularly in the range states. They are in position

to assume greater risks than a bank under federal or state charter, and that they have filled a need is indicated by the fact that in normal times their loans will total a hundred million dollars or more. There are some twelve or fifteen loan companies in operation that can properly be called "large," and a considerable number of smaller ones.

The personal factor is an important one in making loans. Men like to deal with those with whom they are well acquainted. A producer desiring to put in cattle, but lacking the money to purchase them, naturally turns first to those he knows best, who, in his judgment, might be in a position to supply him. His request for a loan may therefore be presented to his

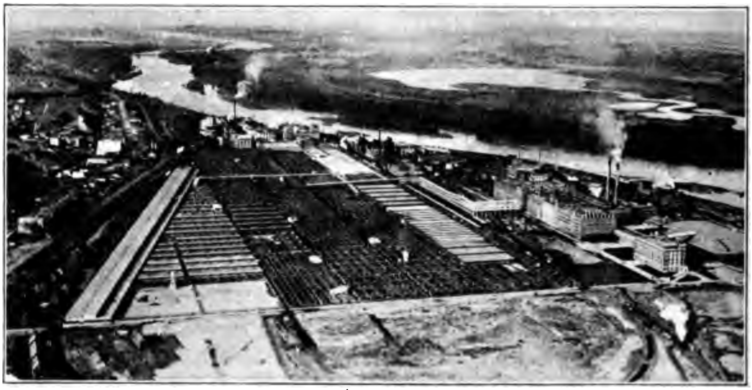


Fig. 18.—Section Stock Yards, St. Paul.

local banker, or to his commission man. In this way it has happened that commission houses have taken an active part in financing the industry.

In the abnormal years following the war three other forms of financing were undertaken, with more or less success. In December, 1920, the Live Stock Finance Corporation was formed, with a fund of $22,-000,000 subscribed by Chicago, New York, and Boston

banks, its object being to afford relief to to the live stock industry. It failed in its purpose because of the rigid restrictions in regard to loans placed on those charged with the responsibility of handling the fund, only about three-quarters of a million being loaned.

In July, 1921, the Stock Growers' Finance Corporation was formed, with subscriptions totaling $49,000,000 to be loaned for the relief of the entire live stock industry. It began operations on July 18, and was limited to loans eligible to re-discount through Federal Reserve Banks. It discontinued operations December 1, 1921, having loaned about $20,000,000, the reason assigned for its discontinuance being that the War Finance Corporation was in position to make loans on more favorable terms.

The Agricultural Credits Act, which was passed August 24, 1921, broadened the powers of the War Finance Corporation and gave it authority to make advances not only to exporters and banking institutions but also to dealers in and handlers of agricultural products, including co-operative associations, for the purpose of financing the carrying of such products until they could be exported or sold for export in an orderly manner. The aggregate amount of advances made and paper purchased and outstanding at any one time was limited to $1,000,000,000.

QUESTIONS.

1. What is the largest manufacturing industry?
2. What industry ranks second to the packing industry?
3. Of what service are live stock banks?
4. What is a loan company?
5. Do commission men make loans?
6. What has the government done to finance the industry?

CHAPTER XII.

DAILY MARKET REPORTS AND NEWS

Changes in marketing methods incident to centralized markets gave rise to the necessity for more and better market information. It became very apparent to producers years ago that they must know more about market conditions to avoid unnecessary losses. General newspapers did not furnish the service required because of other and better fields open to them. Thus in the early days producers were forced to depend very largely for accurate information upon market circulars, but as the markets grew and the interest in live stock production increased, this method became impractical because it was not sufficiently complete.

To meet the demand for accurate and detailed market news that should include the most important feature of all, namely the actual sales of stock, the Chicago Daily Drovers Journal began publication January 11, 1873, being the first daily paper ever published solely for the purpose of conveying information to live stock producers and farmers. It was named the Drovers Journal because at that time the word "drover" was the term commonly used to designate one who drove or shipped live stock to market, in other words, a stockman. The Daily Drovers Telegram of Kansas City made its appearance in 1882, followed by the Daily Drovers Journal-Stockman at Omaha in 1887, and the Daily National Live Stock Reporter at St. Louis in 1890.

These papers, which were published by newspaper men thoroughly familiar with live stock production, and independent of packers or other stock yards

interests, proved to be so useful in the way of supplying information that they soon became recognized as a necessity. Every market with an ambition to grow was quick to encourage the publication of such papers. At the smaller markets where there was not sufficient business to support a daily paper, the packers, who were generally stockholders in the yards at that time, aided in financing such papers, making good the losses and being their real owners. This ownership by the packers of some of the smaller market papers gave rise to a great deal of criticism, and the government agreement with the packers in 1919 contained a provision to the effect that they should dispose of their newspaper holdings.

Policy of Market Papers.—As the market papers were brought into existence for the special purpose of supplying market information, they have from necessity been most careful and painstaking in carrying out their work. The editorial staffs consist of highly trained men, and all possible safeguards against even the smallest errors have been provided. Their reports are recognized as official and the papers themselves are designated as official live stock market papers. Their reports are accepted as official by the courts in the settlement of claims against the railroads, and by the Interstate Commerce Commission in its hearings, as well as in other cases in which live stock market prices enter.

They are required to be no less careful in reporting the various events taking place at market centers and the news concerning the movement of shippers and their live stock operations. Producers' views on the various live stock and farm topics, expressed by means of interviews or letters, are a feature of the larger market papers. As the markets have grown there has been a steady increase in the amount of such news carried by them, until now those published at the

largest points print a vast amount of information covering, besides the markets, every phase of live stock and farm activity, from the production of farm crops for the fattening of stock to the final sale of the stock itself, besides the general news of the world.

Good Market Reporters Born, Not Made.—The writing of markets is a profession in itself and one entailing a lot of preliminary market work and experience, as well as special qualifications and adaptability on the part of the individual. A man may have a good command of the English language and be a good judge of live stock, he may even have had experience as a buyer or seller of live stock, and still not be a real success as a market reporter. No amount of training can make a good market reporter out of an individual lacking the market sense and intuition. A man who is compelled to depend entirely upon what others say and to follow blindly their views will never make an ideal reporter. He must be able to see and hear and feel for himself. He must be a conservative with a level head, one who can not be stampeded or easily led away to extremes. It is important that he be a good judge of live stock, but he must be able to judge human nature as well. Above all, he must be accurate and exact in all that he does and able to speed up and work under high pressure without becoming nervous or flustrated.

How Markets Are Written.—The report of a live stock market is a composite reproduction of the experiences of buyers and sellers of all kinds of stock bought and sold for all purposes. The collection of this information and its reduction to a readable form, that can be understood by the producer in the country, requires experience coupled with the greatest care. Not only must the facts be correctly reported, but what is equally important, they must be so stated as to leave no room for a misunderstanding in the country.

"Be careful not to mislead the reader or let him mislead himself" is constantly on the mind of the market reporter.

Figures Are Tabulated.—There is one or more reporters for each kind of stock, and during the early morning they collect all the market data to be had at that time. They tabulate the receipts of stock at all market points for the previous day. Also the receipts for the week, month, and year, to date, making comparisons with previous weeks, months, and years. In addition to this they know the estimated receipts of the current day and market prospects, and many other facts that are likely to have some influence on the day's trade. When the day's market opens and the reporters go out into the yards, they are equipped with every bit of information that it is possible to secure up to that time. They are thus better able to check up and understand each move that is made and at the same time anticipate and watch for developments that may or may not come as the day progresses.

In Touch With Buyers, Sellers, and Producers.—Passing out into the yards, the reporter comes to the pens of a big commission firm and finds the cattle salesman showing his holdings to a buyer. It is bad form to interrupt when a trade is under way, and the reporter waits until they have finished, in the meantime chatting with the owners, who are watching the sale of their stock. His eyes are wide open and he makes a mental notation of every move. He notes that the buyer is apparently in a hurry and while he is looking the cattle over carefully he is wasting no time in idle talk. As he emerges from the last pen he digs his heels into his horse's flank just hard enough to make him walk off at a brisk pace. As the buyer passes the reporter he leans over his saddle and whispers, "It won't be any lower today," which does not surprise the reporter, who has already guessed the buyer's feelings

from his actions. The salesman, while keeping his eyes open for the approach of another buyer, rides up to the little group of owners and announces that the buyer who had just left bid steady prices, adding, "But I did not sell him anything. I somehow feel that the market is going to be higher." The reporter knows that receipts, while large locally, have really been light for several days, taking the country as a whole, and from other sources of information he believes the big packers need more cattle, hence he too feels that the

Fig. 19.—Scene in Cattle Yards, Sioux City. Hog House and Viaduct to Sheep Barns in Background.

market is going to be higher. Note the word "feel." Few words are heard more often on a market. The market-wise reporters and operators on a market seem to "feel" a coming change, somewhat after the manner of the weather-wise old settler who "feels" the coming of a storm.

Watches Buyers and Sellers Trading.—The reporter passes on down the alley and finds another group of producers and their commission man, who says that he has had two buyers on his cattle, that the

first one bid steady prices and the second bid higher than the first on a few cars of cattle that were of the grade he seemed to want especially. While they are talking the third buyer rides up and hurries into a pen with the commission man. The reporter goes with them, and, while keeping silent, looks over the cattle and hears and sees all that is said and done. This buyer bids, on an average, a little higher than the former buyer, but the commission man lets him go without selling anything.

The reporter climbs onto the fence where he can get a general survey of the yards. Everywhere men are moving about pretty lively. Buyers are all scattered out instead of sitting on their horses in groups and visiting, as they are apt to do when buying orders are not urgent and when they are trying to break the market. The reporter knows that receipts at other points are light, and that the local order buyers must have buying orders from such points if the local market with its large receipts is going to be higher. In a minute he catches sight of several of the order buyers. They too are moving. Even the yard traders and dealers in feeders are looking around, which would lead to the belief that they will clean up the thin cattle and not leave them to depress the market on the more fleshy grades. "It looks encouraging," is the way the reporter feels as he climbs down from the fence. The commission man says he is "playing it for a quarter advance." Shippers standing about express their opinions, and one of them, who has brought in a car of finished steers that may prove to be market toppers, tells the reporter and other listeners how and what he fed.

Market Fifteen to a Quarter Higher.—The reporter hurries on. He passes through many alleys, mingling with buyers, sellers, and shippers. Buyers are gradually raising their bids and salesmen are beginning to

sell. The reporter's personal observations, as well as the reports of both buyers and sellers, all agree that the market is now 15@25c per hundred higher, as well as active. When every one is agreed and there are no conflicting opinions, it is an easy matter to write the market. What the reporter dreads is an uneven market when some sales are higher, others steady, and still others lower. Such markets are by no means uncommon, and they are the most difficult of all to report.

As fast as the cattle sell, commission men's helpers turn them into the alleys, driving them toward the scales. There are many thousands to be weighed and there is no time for delay. It is certainly a very satisfactory market and sellers and shippers are all happy, but the reporter is suspicious that the end may not be so good. He has noted several things to make him feel that way, such as the fact that all the cattle are not selling, that some of the buyers, while acting as if they wanted cattle, are bidding just low enough not to get them, on the theory, probably, that if they can not use them they will at least make their competitors pay good prices. He has also learned that there are two or three big trains of stock that will arrive near mid-day that were not included in the early estimate of the day's receipts, thus making a large local supply still larger. About this time a packer buyer whispers, "Watch out for the close. Just heard the ——— Packing Company's head buyer call off his assistants."

The Advance Is Lost.—Events come fast on a live stock market, and as the reporter doubles back on his trip through the yards he soon notices a change. The alleys are still crowded with cattle on their way to the scales, but buyers are not moving about so briskly and are beginning to assemble in little groups to discuss the events of the morning and exchange jokes.

Salesmen who did not succeed in unloading earlier, when the market was active, are hurrying about in search of buyers who will clean up what they have left. It is very plain to the reporter that "the edge is off the market," but he continues watching the trade and learning the experiences of buyers and sellers until the day's transactions are at an end, the final finish being about steady with the close of the previous day, meaning that the early advance of "15@25c" was lost. He hurries to his office and writes out a report of the day's business, including what he saw with his own eyes as well as what he learned from others, including buyers, sellers and producers.

In the meantime other reporters have been working in the same way in the hog and sheep divisions, as well as in the cattle division, and their combined reports make up the first page of the day's market paper.

Markets never act exactly alike on any two days. The reporter finds new problems confronting him each day.

Actual Sales Reported.—The sales of live stock are copied from the scale tickets in the hands of both buyers and sellers. Reporters for that purpose make the rounds of the commission houses and buyers' offices. Each ticket gives the number of head of stock and the gross weight, and the reporter figures out the average weight on each sale. The long list of actual sales of live stock reported in the market papers gives the shipper and producer an absolute picture of the real market. The reading matter descriptive of the market is very useful and important, but the list of sales is the real market itself. These lists show the number of head with the average weights and the prices paid. No other form of market reporting devised thus far has succeeded in taking the place of the actual sales, although reporters would probably welcome a substitute, as the collection, figuring, and tabu-

lating of sales is one of the most laborious tasks connected with market reporting.

Information as to the receipts, shipments, etc., are obtained from the books of the stock yards company. The reports covering the number of head purchased by the different buyers are secured at some points from the buyers themselves and at other points at the scale houses.

News Reporters.—In addition to the market reporters, there are other reporters whose business it is to collect the news of the market. These men interview producers and visitors and secure news as to what is going on in and about the yards.

Direct Telegraph Wires.—In the largest market paper offices there are direct telegraph wires and operators taking off the news of the world as well as market reports. Special market reports are also obtained from the regular telegraph offices and delivered by messenger. There is also an army of correspondents representing the leading producing counties of the territory covered, and from these men there is constantly arriving at the office special telegrams covering important happenings, and no end of letters reporting the less urgent news, such as reports from the various live stock and farm organizations, meetings of producers, etc. The larger market papers each have several field men whose business it is to keep in touch with and promote the various breeds of purebred stock, attending and reporting sales. These men spend their whole time in the country traveling from farm to farm.

All news as well as facts and figures must be obtained from a definite source, nothing being left to guess-work or hearsay, and it must be reduced to the proper form and put into print in the shortest possible space of time. The market has hardly closed before the presses are turning out the papers that will be on their way to the country on the earliest trains available.

Markets by Radio.—The market newspapers at Chicago, Kansas City and Omaha, own and operate powerful radio stations for broadcasting market reports. The messages are sent out several times a day so as to give an idea of the changes in the market as they occur. It is not expected, however, that radio reports can supplant printed newspaper reports. Being necessarily brief they can not cover the details and hence are open to the same objections as the market circulars that proved unsatisfactory in the early days. In fact radio market reports bear a strong resemblance to market postal cards and circulars with this difference, that they are delivered on the dot instead of a day or two late. Both are alike in that they can not cover details and market news that the man in the country must have if he is to go on producing intelligently and with profit to himself.

QUESTIONS.

1. What was the origin of market newspapers?
2. What papers were packer owned?
3. What is the policy of market papers?
4. What are the sources of market news?
5. What are some of the requisites of a reporter?
6. From what sources is market news obtained?
7. Describe how markets are written.
8. Why are reports of actual sales important?
9. How are markets sent by radio? Characterize these.

CHAPTER XIII.

CLASSIFYING AND GRADING

Whenever men meet to trade in any commodity they invariably use certain words or expressions to describe the quality or condition of the article traded. Such words as fancy, A 1, No. 2, select, standard, and many others are often heard. In using these descriptive words, traders are really grading the commodity. Where a permanent market grows up it always happens that custom or common usage will gradually establish certain grades designated by terms that are well understood by those engaged in the trade. In some instances, as for example in the grain trade, it has been agreed to recognize certain established standard or official grades fixed by a recognized authority. In the case of grain it was possible to fix a few grades that would cover all kinds and qualities of any given cereal, because the actual range in quality is comparatively narrow. To have such grades established on a fixed basis by an official inspector is a great convenience as it enables a buyer in New York, for example, to buy wheat in Chicago by wire without going to the trouble and expense of a personal visit and examination. The buyer wires the price he will pay for a certain grade, as No. 2 wheat, and if the price is accepted the deal is closed without the buyer ever seeing the grain. That method of buying is called "buying on grade."

Impractical to Buy Some Commodities on Grade.—Some other market commodities differ so widely in general character that no official or standard grades have been established. Such commodities are bought

only after examination by the buyer, and even if some self-constituted authority were to fix specified grades, no authority could compel traders or consumers to buy such commodities on grade and without seeing the article before purchase. This would apply to live stock where there is such a wide range in kind, quality, and condition, that practical live stock market men believe it would be impossible to grade it with sufficient exactness to induce the public to buy it on grade without personal inspection. Thus while it might be possible to have live stock officially graded, the expense would be enormous, involving the employment of hundreds of high salaried men at the big markets, and it would serve no useful purpose because no one would buy live stock until he or his agent had seen it. Then, if he did buy it, he would do so because he liked it and thought it worth the money, and not because some inspector had tagged it with the name of a certain grade.

Live Stock Graded, But Not Officially.—While no official grades of live stock have been fixed at any point, custom has established certain grades that are well understood by everyone on the market. While it is true that no one ever buys or sells on these grades as in the grain market, they are, however, a great convenience in describing the quality of particular lots of stock, or in quoting prices and reporting the market. No one ever hears a buyer bid a certain price for a certain grade of stock, that is, no buyer ever says, "I will give you $8.00 per hundred for fifty steers grading good." In reply to a question he might say, "I would pay around $8.00 for good steers," meaning that after having looked at them, if he considered them really good and liked them, he would pay $8.00. If he were not very well pleased with them he might not offer over $7.90, or less, but on the other hand if they looked especially good to him and he could not buy

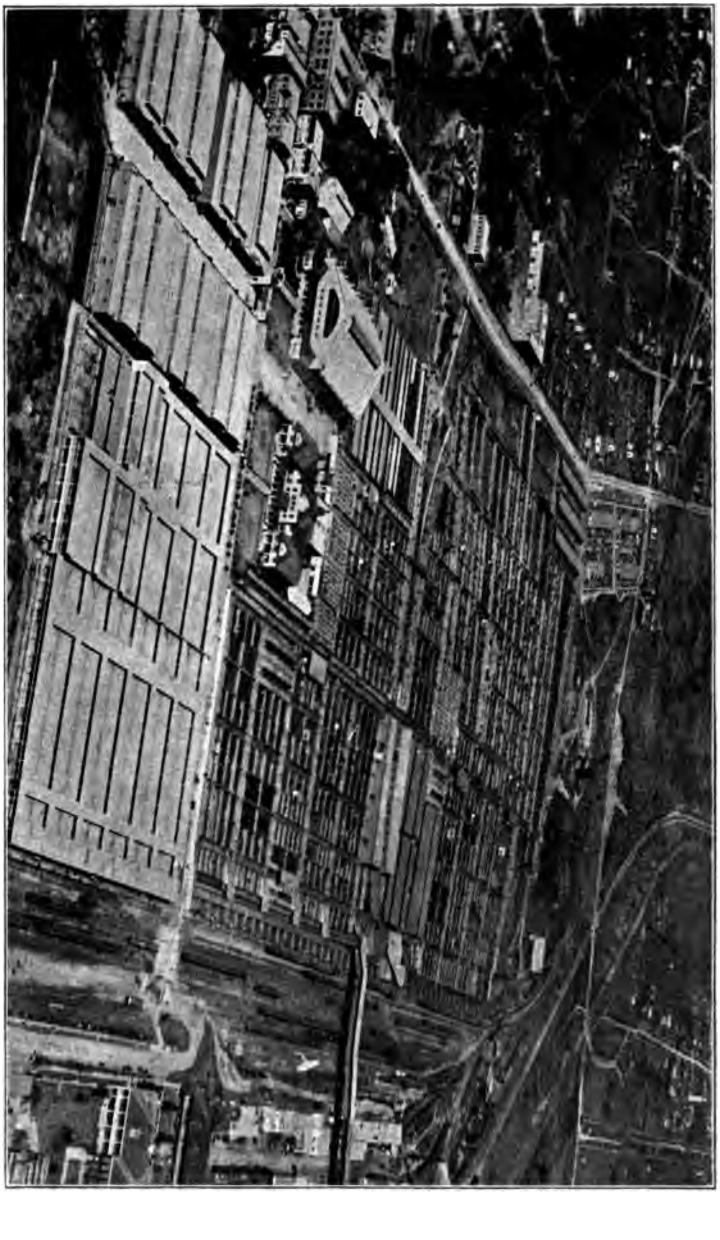


Fig. 20.—Fort Worth Stock Yards.
Hog and sheep divisions and horse barns in foreground. Exchange Building and Coliseum near center.

them for any less, he might raise his bid to $8.10 or more. One will often hear such expressions from buyers as, "I would look at some good beef steers," or, "If you have some choice yearlings I will look at them." A seller approaching a buyer will frequently tell him what grade of cattle he has, ending up with the question, "Will you look at them?" He never asks the buyer what he will pay for them until the buyer has seen them. In actual practice some buyers confine their buying largely to certain grades, and the sellers come to know just about what grade of stock will suit each one. Thus a seller has no need to ask each buyer what he wants. He picks out, one at a time, the buyers for his class and grade, and asks them to look at what he has. If a buyer comes through his alley and asks, "What have you got?" and the seller knows that he does not happen to have the grade that would please that particular buyer, he answers, "I have nothing you would want." In this way a lot of time is saved and the work of disposing of the day's receipts is speeded up.

Grading of Live Stock a Great Convenience.—It will be noted from the above that the grading of live stock is a great convenience and that unofficial grades answer the purpose just as well as official grades, so long as the stock is bought on personal inspection and not on grade.

The importance of being able to grade stock, however, does not end with the buying and selling of it on a market. The real value of grades is most noticeable when it comes to reporting the market. Without grades it would be almost impossible to convey to the minds of producers anything like a correct idea of market conditions. Producers realize that they must understand the market if they are to produce what the market wants, but they are badly handicapped in many cases by a lack of information as to the real meaning of market terms and grades.

Must Learn How Stock Is Graded.—It is very important that the producer should learn how stock is graded on a market so that he can grade his own stock in his feed lot and determine when it is in such condition that it should be sold. This might at first appear quite difficult, but the grading of stock is, after all, simple and easily understood if the producer is a fair judge of stock to begin with. In the first place he should study the following chapters devoted to the classes and grades of cattle, hogs and sheep. At the same time he must try to determine into what grade his own stock would fit. Every producer has seen, at the fairs, well-bred, very fat and well-finished prize winning animals that would grade at the top. Taking such stock as a standard, the producer should then try to estimate how much below the top his stock would grade, and hence into what grade it would fall. If he can, after he has thoroughly familiarized himself with the different grades as described in these chapters, visit a market and spend the day watching his commission man selling stock, and talk with him regarding the quality or grade of the different lots on sale, it will be a great help to him. If he cannot spend the time for this, he can, with a little more work, figure it out for himself. Besides studying the chapters on classes and grades, he must learn how markets are written, in Chapter XII, and also how to read market reports, Chapter XVIII. He must study market language and the true meaning of market expressions. Even market slang is useful because such words occasionally slip into reports of the market. To aid in understanding market terms, a glossary has been added to this book, which includes many of the slang and unusual terms as well as others that are in good standing.

Definition of Terms.—For a clear understanding of how meat animals are graded, it will be necessary, first of all, to fix clearly in the mind the difference in

usage between the three key words, "kind", "class", and "grade", as follows:

1. "Kind" designates, first of all, what meat animals are meant, as cattle, sheep or hogs. The word "cattle" indicates a kind of meat animal, but there are several different kinds of cattle, as native cattle, western cattle, etc. There are also several different kinds of hogs and sheep.

2. "Class" has reference to the different classes into which all the different kinds are divided, according to the use to which they will be put. Thus cattle are classed as beef steers, butcher stock, etc., and hogs as butcher hogs, packing hogs, etc.

3. "Grade" has reference entirely to quality, condition, and conformation, as for example, good beef steers, fair lambs, choice feeders.

Sub-classes Never Used on a Market.—Most writers have tried to make the system of grading live stock more logical and easier to tabulate and explain by introducing a further division of classes into sub-classes. That system, though very convenient, has not been followed in this case for the reason that no buyer or seller on any of the markets ever uses the expression "sub-classes", nor would he have the slightest idea what was meant, nor is it ever used in market newspaper reports. The idea followed in these pages is to use only the divisions actually employed by buyers, sellers, and reporters, on the market.

Grade Most Important of All.—Of the three key words, "grade" is the most important of all. Every producer knows about the different kinds of stock. The division into classes is also understood by most everyone who has ever shipped to market, but if not it will be readily understood by glancing over the list of classes. When it comes to grades the subject is not so easy, because the grading of stock calls for judgment and a real knowledge of quality and condition.

Still the system of grading is very simple. Custom has established five grades, each one indicating a different degree of quality. These five grades are applied to all kinds of live stock, and it makes no difference whether it is sheep or hogs or cattle, the names of the grades are the same. The grades, beginning at the top with the one indicating the best possible quality, are: 1st, prime; 2nd, choice; 3rd, good; 4th, fair

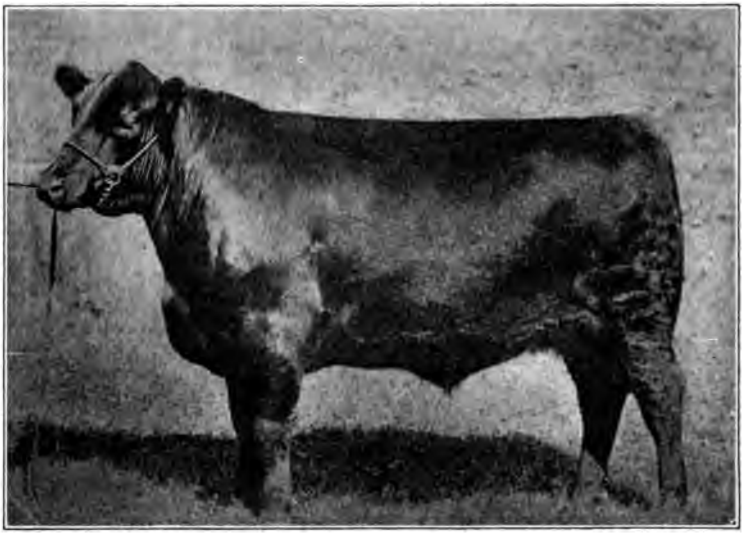


Fig. 21.—Prime Light Beef Steer (U. S. Dept. of Agriculture).

(medium); 5th, common. The application of these five grades to the different kinds and classes of live stock are explained in the following chapters.

Words Used Carelessly.—During the rush and excitement of a big market, the distinctions between the words "kind", "class" and "grade" are not always observed, and all of them are carelessly used at times. Still every buyer, seller or reporter on a market knows the correct meaning and usage of the various market terms. They may sometimes use them incorrectly in

conversation just as other people talking on other subjects do not always use the best language, but when the market reports are printed in the live stock market papers they all understand them and are agreed as to the correct usage of words designating the different kinds, classes and grades of live stock.

In actual practice the word "kind" is used on the market by buyers and sellers more often in connection with the differences in live stock than any other one word. In fact it is very loosely used to indicate not only "kind" but frequently in place of "class" and even "grade." Thus a producer, who has just arrived at the yards with a shipment of stock, is met with the question, "What kind of stuff did you bring in?" meaning, what kind of meat animals, cattle, hogs or sheep. If the producer opens the conversation with the statement, "I have brought in a car of cattle," the next question would be the same, "What kind?" meaning, does your shipment consist of natives, or westerns, or grassers, or corn feds? So far the use of the word "kind" is in conformity with what is generally regarded as the correct usage.

In actual practice the word "kind" does not always stop with that. For example, if the producer had said to begin with, "I am bringing in a shipment of fat cattle", his questioner might say, "What class of cattle?" meaning, are they beef steers, or butcher stock. The word "class" would be the correct word to use, but nine times out of ten the word "kind" would be used in place of "class."

To go still farther, if the producer right at the outset had said, "I am bringing in a shipment of corn fed beef steers", the question might be, "What grade of stuff?" meaning, what is the quality, are they prime, or choice, or only good? The word "grade" would be the correct word to use in that connection but in ordinary market conversation the word "kind" would

be heard just about as often. When it comes to reporting the market, however, great care is taken by everyone to see that the stock is properly classed and graded.

"Type" is a word that is very frequently used by producers, especially breeders, but is seldom heard on a market. The word is used to designate a combination of characteristics that render an animal especially suited to some particular use. Thus cattle are known as being of the beef type, dairy type or dual purpose type. Hogs are of the lard type or bacon type, and sheep of the mutton type or fine wool type.

The word "style" is occasionally heard on a live stock market as indicating well bred, upstanding individuals of attractive appearance, but it is used more often in the horse market.

QUESTIONS.

1. Explain how custom establishes grades.
2. Are grades ever fixed by agreement?
3. Explain convenience of established grades in the grain trade.
4. How were live stock grades established?
5. Is live stock ever bought on grade?
6. Why should producers understand grades?
7. Explain the meaning of "kind" as used on the market.
8. What is the meaning of "class"?
9. What does "grade" mean on a live stock market?
10. Name the five grades.
11. Define the meaning of "type".
12. What is meant by "style"?

CHAPTER XIV.

CLASSES AND GRADES OF CATTLE

Before any attempt is made to understand how cattle are classed or graded, Chapter XIII must be carefully read and studied. That gives a general idea of how the system of grading has grown up at the live stock markets, and the matter of applying the system to cattle will be quite simple. It is especially important that the meaning of all words and terms used on markets be thoroughly understood and memorized. The three key words, "kind", "class" and "grade" must be kept in mind clearly and distinctly, to avoid confusion and misunderstanding. Each of these three words is defined in the previous chapter.

After fixing clearly in mind the meaning of these three terms, it is in order to take each in its turn and consider it in detail as applied to cattle.

Different Kinds of Cattle.—The word "cattle" indicates a kind of live stock, but there are several different kinds of cattle: Natives, that is, cattle bred and raised on the farms of the corn belt and eastern states; westerns or rangers, the kind commonly produced on the big ranches or ranges of the western states; Texas or southern, the kind typical of the south and southwest. The western and southern states have been introducing purebreds, and both sections are producing some cattle that can not be readily distinguished from natives, and such cattle might pass on the markets as natives, especially if corn fed, regardless of where they were bred. Western cattle that have been corn fed are known as fed westerns. Western cattle that have been branded are frequently called branded cattle

(Fig. 23). The brand injures the hide and hence branded cattle do not sell quite so well as unbranded.

These three kinds of cattle may be either grassers or corn feds. The first time that western or southern cattle are offered on the market they are usually grassers, but a large number, too thin for beef, are sold as feeders and come back a second time as corn feds. Some markets receive other kinds that are largely local and are not seen at most of the big markets, hence are not of sufficient importance to merit

Fig. 22.—Choice Fat Cow (U. S. Dept. of Agriculture).

special attention. Some markets also receive quite a good many beef cattle that have been fattened on other rations than corn, such as beet pulp.

Different Classes of Cattle.—Cattle are divided into classes according to the use to which they will be put, as follows:

1. The class "beef steers" embraces all kinds of steer cattle suitable for killing for beef. They are commonly divided into heavy weights, weighing 1300

pounds and over; medium weights, 1100 to 1300 pounds; light weights, (or yearlings) under 1100 pounds; baby beef, 950 pounds and under. Baby beef is the term applied to young (15 months or under) very fat and light beeves that have been on full feed practically from birth, never having been allowed to lose their baby fat. Some heifers are at times included in bunches of baby beeves, selling at the same price as the steers.

2. The class "butcher stock" embraces the better grades of cows, heifers, stags and bulls, suitable for selling as beef over the butcher's block. Bulls not fat enough for beef but designed for killers are sold as bologna bulls. Bolognas are muscular but not fat enough for beef and are more suitable for sausage. Too much fat is not desirable in bologna bulls but on the other hand they must not be emaciated or too thin. Dairy bulls make good bolognas, especially big Holsteins. A big, beefy Holstein will frequently outsell, for the bologna trade, moderately fat bulls of similar weights. Stags are classed along with bulls, as a rule, but command a little better prices, depending upon how closely they resemble steers in conformation and quality.

3. The class "canners and cutters" includes killing cattle that are too poor and thin to produce beef carcasses. Most of the cattle coming under that head are old cows, with some steers, heifers, bulls, stags and calves. Canners, as the word would indicate, are used largely for canned meats. A cutter is a little better than a canner, some of the cuts, as the round and loin, being suitable for beef while the remainder is used for canning purposes or sausage. Canners and cutters are included under the classification "killing cattle" by some writers and treated as a grade instead of as a class, but in general practice on the market they are looked upon as a distinct class.

4. The class "veal calves" includes all young calves having sufficient quality and flesh to sell for veal. They are divided according to weights into light weights, 110 pounds and under; handy weights, 110 to 190 pounds; medium, 190 to 260 pounds; heavy, 260 pounds and over.

5. The class "stockers and feeders" embraces a great variety of cattle, steers, cows, heifers, bulls, stags

Fig. 23.—Prime Corn Fed Range Steers.

and calves, in fact everything suitable for stocking up purposes or for fattening for killers (Fig. 25). It is not an easy matter, and many times impossible, to draw the dividing line between stockers and feeders, as frequently indentically the same cattle will be sold, half to one party, who will buy them as stockers to be roughed through the winter on stalks and hay and not put on feed until next summer; the other half, will sell to another party as feeders to be placed in the feed lot immediately for fattening. The difficulty of separating stock cattle from feeding cattle has resulted in their being included in one class, "stockers and feeders." In a general way the word stocker is used to designate the younger, lighter, and thinner cattle that are best suited for keeping on the farm on rough or cheap feed until they have attained more maturity and weight, when they will be suitable for feeders. Stock

bulls and heifers may be intended either for breeding or for feeding later on. Feeders are generally more mature and heavier cattle that are in condition to go on feed at any time. When the word "stocker" or "feeder" is used alone without any qualifying word, it always means a steer. Feeder steers are divided into heavy weights weighing 1000 pounds and over and medium to light weights weighing under 1000 pounds.

6. The class "milkers and springers" includes cows already in milk and those due to freshen soon. Such cattle are usually shipped with the idea of their being sold for the production of milk, but as a matter of fact a great many of them, especially if old and thin in flesh, can be sold for canners only and at canner prices.

Different Grades of Cattle.—The different classes of cattle are divided according to quality, condition and conformation, into five grades. The words used to designate degree of quality, condition and conformation, that is, the names of the different grades, and their meaning, are as follows:

1. **Prime** means first, and it designates cattle that are above criticism, the kind of prize-winning steers seen at the big fat stock shows, that have been made perfect by the best breeding and the best feeding and care at the hands of experts (Figs. 21 and 23). They have short legs and necks, and are fine boned, with medium sized and shapely heads. The flesh is thick and firm but springy and evenly distributed, with no bunches or rolls, giving the animal a very smooth, blocky appearance, very broad and deep and free from paunchiness. The hair is "silky" and the hide soft and pliable. Such cattle are very scarce even on corn belt markets. If numbers were ever used in actual practice on a live stock market the word prime might be described as meaning A No. 1. Only fed steers and heifers (Fig. 24) are graded as high as prime.

2. **Choice** means cattle that are not quite good enough to be called prime, that is, they are lacking in one or more of the qualities necessary for an animal to be regarded as prime. They may be lacking in that perfect finish or quality, or they may fall short slightly in condition or appearance. They may be fat enough but without the finish or nice quality. The breeding may be good, but smoothness lacking. Still, choice is

Fig. 24.—Prime Fat Heifer (U. S. Dept. of Agriculture).

descriptive of a very well finished animal and only a small percentage of the cattle received at any of the markets can be graded as choice.

3. **Good** is the grade applied to cattle carrying considerable flesh but not so well finished or thick fleshed as the higher grades, nor is the flesh so evenly distributed. They are also more inclined to be rough, that is, lacking in smoothness, without that blocky shape so noticeable in the higher grades. When the

flesh and finish are both present, it may be the lack of breeding that keeps them from grading higher. A tendency to coarseness, big bones, rough heads, or other similar characteristics, may hold down the grade.

4. **Fair** (medium) describes cattle lacking in flesh, which keeps down the grade even when the quality might otherwise be considered good. Frequently they are paunchy, which indicates that they will not make a good percentage of beef. Such cattle produce the lower and cheaper grades of beef that goes to sections of the country where the consuming trade is less particular. Many of these cattle are bought by feeder buyers and sent back to the country to be finished. "Fair" and "medium" have the same meaning, but "fair" is preferred by many because the word "medium" is also used to designate weight, thereby causing needless confusion.

5. **Common** indicates the lowest or poorest quality. Such cattle lack all the good points of quality, condition and conformation. The words poor, inferior or undesirable, are frequently used in place of common.

Grades Overlap.—The different grades indicating quality come very close together and in fact run into each other so that it is not an easy matter to name, for example, the exact point at which a fair steer becomes a good steer, or a good steer becomes a choice steer. A bunch of cattle may be choice, but another bunch may be choicer and a third lot may be still choicer. It is also very difficult to find a carload of cattle of all one grade. For example, half of the cattle might be good and the others only fair.

Because of the great number of variations in quality, condition, and conformation, and because very few lots are made up of only one grade, it is customary on live stock markets to use two words descriptive of grade

when reporting or quoting the market. The five grades are thus combined in quoting market prices, beginning with the one expressing the highest degree of quality, as follows:

1st, choice to prime.
2nd, good to choice.
3rd, fair to good.
4th, common to fair.

In quoting the market a range in prices is used to cover the range in quality. For example, good to

Fig 25.—Choice Feeder Steer (U. S. Dept. of Agriculture).

choice steers on a certain day might be selling all the way from \$8.00 up to \$9.00. In such a case the quotation would be, "Good to choice steers, \$8.00@9.00."

The fact must not be lost sight of that the word "prime" means such a high degree of finish that it is not possible for anything except steers and heifers of

good breeding, fattened on corn or some equally good concentrated feed, to grade that high. Cattle other than corn feds could not be expected to grade above "choice", although if extra choice they are frequently described as "fancy" or "fancy selected", which means about the same as "prime" so far as quality or breeding is concerned but does not carry the added idea of thick and smooth fat.

Grades About the Same for All Cattle.—The five grades described, prime, choice, good, fair, and common, apply to all fed beef steers, both heavy and light, and also to fed beef heifers. Omit the highest grade, prime, for the reasons already explained, and the same grades are applied to practically all other kinds and classes of cattle, with few exceptions. Baby beef that would grade below good would be too poor to class as baby beef. The kind of cows sold for killers usually lack the conformation necessary for grading as prime. Canners and cutters could hardly grade above good. A choice canner would be too good to be classed as a canner and would belong more properly in some higher class. Bulls good enough to grade prime are seldom sold as beef. Bologna bulls good enough to grade better than fair would cease to be bolognas. Stockers and feeders can not grade as high as prime because, as explained above, the word prime carries with it the idea of thick flesh.

Cattle Not Always Classed the Same.—Producers are sometimes puzzled by the fact that the same cattle are not always classed or graded the same. Thus a shipment of cattle may be classed and sold as beef steers. A few days later another carload of the same cattle may be classed and sold as feeders. This emphasizes the fact that live stock is classed according to the use to which it is to be put, and that use in some cases is governed by the supply and demand. Thus a bunch of fair steers carrying only a very moderate

amount of flesh, received on a day when beef cattle were scarce and high, might sell for beef steers because the killers would pay the most for them. The next day, with a poorer demand for beef and with a more active demand for feeders, a feeder buyer might be the highest bidder for a cut of the same cattle and they would be sold and classed as feeders. In the same way a bunch of well bred, but thin, cattle if sold for beef might be graded as only common to fair because of the lack of flesh. On the other hand if sold as feeders they might grade as good because of their good breeding and quality, the lack of flesh being no disadvantage in the case of feeders.

Cattle Graded Differently Outside Corn Belt.—The grades of cattle are all well understood at all market points, but outside of the corn belt, while the same grade names are used, they may mean a different quality of cattle. For example Chicago, in the midst of the corn belt, with the best feed and the best purebred stock, naturally receives the best cattle. Some other market located on the outskirts of the corn belt, where neither feeding nor breeding is so good, might never see such perfect beef steers as those grading prime at Chicago. Still that market would be quite likely to grade the best beef steers coming to that point as prime. The same steers if sent on to Chicago might be called no better than good or choice at that point.

This gives an idea of the difficulties encountered by those who would like to see all markets use the same standard of grades. Will it be possible to induce buyers and sellers on a market to describe the best stock coming to that point as "good" just because it would not grade any higher than that on a market like Chicago, that receives stock that is so much better? Those who are working on the problem believe it can be done though it may be necessary to educate a new genera-

tion of buyers and sellers before the change can be made completely effective.

QUESTIONS.

1. Explain the meaning of "kind," "class" and "grade."
2. Name some of the kinds of cattle.
3. Into what classes are cattle divided?
4. Describe each class of cattle.
5. How are cattle divided into grades?
6. Name the five grades.
7. Explain the meaning of "prime".
8. Why is the use of "prime" confined to corn fed stock?
9. Explain the meaning of "choice".
10. What quality is indicated by "good"?
11. What is the meaning of "fair" (medium) as applied to cattle?
12. Describe the meaning of "common".
13. How is the word "fancy" used?
14. How are grades coupled together in market reports?
15. Explain why a certain grade in one market may mean a different grade in another.

CHAPTER XV.

CLASSES AND GRADES OF HOGS

The producer and student desirous of understanding market classes and grades of swine must begin by studying thoroughly Chapter XIII, explaining in general the growth of the system of classifying and grading live stock at market centers. In that chapter he will learn that the word "kind" designates what meat animal is meant, as, for example, a hog, but there are several different kinds of hogs.

Class has reference to the various classes into which all the different kinds are divided according to the use to which they will be put.

Grade has reference entirely to quality, condition or finish, and conformation.

Different Kinds of Hogs.—Hogs produced in the corn belt are mostly of one kind, that is, corn feds. Some points, in the spring and early summer, receive a good many so-called "grass" or "grassy" hogs, that have been run on grass with so little additional feed as to show very plainly the effects of grass. Such hogs are always poor sellers at prices much lower than corn feds, because of the poorer quality of meat.

"Dairies" is a term applied on some markets to hogs fed on dairy slop. The flesh is not so firm as that from corn feds.

Southern markets, such as St. Louis, Fort Worth, and Oklahoma City, receive a good many peanut fed or mast (nut) fed hogs, though not so many as formerly, which sell at a big discount as compared with corn feds because the fat is soft and oily, the carcass dressing out a lower percentage and the meat shrinking

greatly in weight. Such hogs are known as "southerns" or "Oklahomas" when they come to northern markets. Hogs suspected of being peanut fed are sometimes bought with the understanding that if the meat kills out hard and the fat is white and solid instead of off color, soft, and oily, the owner will receive the corn fed price or a bonus over the peanut price.

Uniformity Is Wanting.—There is a very noticeable lack of uniformity in classifying hogs because of the wide variation in the character of receipts at different markets. At some points the receipts are so alike in kind and quality that few classes are recognized. Some other markets receiving a wider range of quality, and having a more diverse buying demand, calling for close sorting and grading, divide the receipts into a greater number of classes. However, the lack of uniformity does not make so much difference with the producer as might at first appear. To be sure, it compels him to learn the meaning of a few additional class terms before he can fully understand how hogs are classed in all sections of the country and at all markets, but after that he will experience no difficulty. He will find, however, that all markets do not use all the classes, either because they do not have the hogs that would come under certain classes or they do not have the buying demand for such classes or class divisions.

Tendency Toward Standardization.—The tendency at the present time seems to be along the line of simplification and standardization of classes, which will be a good thing if not carried so far as to deprive the producer of information that he really ought to have. It is claimed, for example, that so long as bacon hogs are selling at about the same prices as light hogs or light butcher hogs of similar weights, a separate quotation on bacon hogs can be avoided; also that it is unnecessary for the same reason

to publish quotations on such special sorts as "yorkers." It must not be forgotten, however, that there are two sides to a market, the buying and the selling, and that the buyer as well as the seller needs information. Hence it is very important at times that such sorts as bacon hogs, yorkers and selected light hogs, such as shippers buy, should be quoted in market reports for the benefit of buyers at different points. The presence of these additional quotations in market re-

Fig. 26.—Concrete Hog House, Kansas City.

ports will also be an advantage to the producer if he knows for what they stand. This emphasizes the fact that it is of the greatest importance that every one should have a clear understanding of all the different classes into which hogs are divided in actual practice on a market, whether the names of all such classes are regularly used in quoting the market or not.

The Grading of Hogs.—Hogs are first divided into classes based upon the uses or purposes for which they are bought, hence weight has a real influence in determining the class, as well as conformation, condition, quality and sex. Each class is then divided into one

or more grades, the grade indicating the quality and condition. The words used to designate the different grades are the same as those employed in the case of other kinds of live stock.

Prime indicates the highest grade of all, carrying with it the idea of perfect conformation and the smoothest thick flesh and finish, the kind that would win prizes at the fat stock shows. Prime is such a high grade that it is not often employed in grading hogs because the most popular classes of market hogs lack the thick fat and finish necessary to grade prime.

Choice is the highest grade, ordinarily used in quoting a market, although hogs that are extra choice are sometimes described as prime, which would mean about the same as extra choice, or very choice, or fancy or extra selects.

The next lower grade is **good**, after which comes **fair** (medium), while **common** is the lowest grade of all. Some use the word medium to indicate fair, while poor, inferior and undesirable all mean practically the same thing as common.

These five grades cannot be applied to all classes. For example, there could be no such thing as a prime packing hog, for the reason that a hog good enough to grade prime would cease to be a packing hog and would be included in some higher or better class.

Many hogs come to market in such mixed lots, each car containing hogs differing quite widely in grade, that it is necessary to join two grades together in quoting the market, so as to cover the range in quality, thus: Good to choice, fair to good, and common to fair. Sometimes words indicating grades still farther apart are used, as common to good, fair to choice, etc. There is no rule governing the grouping together of grades, but the reader of market reports, remembering the five grades, prime, choice, good, fair and common, and that each one means a certain degree

of quality, will have no difficulty in understanding their meaning when grouped together.

Classes of Hogs.—In separating hogs into classes it must be understood that it is impossible to fix a dividing line that will always hold good or that can be rigidly adhered to. Dividing lines are bound to shift a little and different classes overlap each other as market conditions and the character and size of the receipts and demand change from time to time. For example, on a market showing a big surplus of packing hogs and a scarcity of butcher hogs the buyers wanting butcher hogs might be a little less particular and accept a few hogs that would at other times be

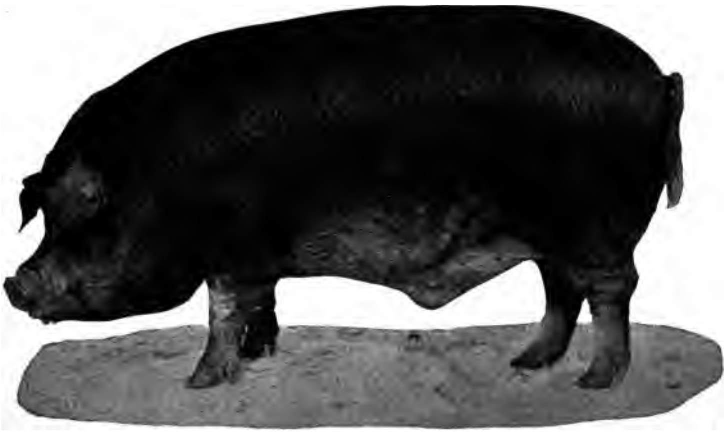


Fig. 27.—Light Butcher Hog Weighing 210 Pounds.

classed as packers. In the same way there is liable to be at times a little sliding up and down of weights. A certain class calls for hogs of certain weights, but if hogs of those weights are scarce buyers will sometimes take those that are a little heavier or a little lighter. The different classes into which hogs are divided, together with a description of each class, is as follows:

1. **The class "prime heavy"**, 300 to 400 pounds and over, includes only very smooth hogs, mostly barrows, too heavy to be classed as butcher hogs. They are frequently called "fat backs" on the market and are of the extreme lard type. Some years ago when corn was cheaper such hogs were quite common on corn belt markets, but in recent years they are more of a rarity, producers finding it more profitable to market their hogs before they reach such extreme weights. Changes in the packing industry have also reduced the demand for the extremely heavy weights. This class, as its name indicates, includes only one grade, "prime," because the lower grades would naturally come under the classification of packing hogs. Because of the small supply of such hogs coming to market they are not very often quoted in market reports.

2. **The class "butcher hogs"**, 190 to 325 pounds, is one of the most important classes of hogs coming to market. In days gone by when the packer preferred big, heavy hogs suitable for packing away in salt, the small butcher, who dealt in fresh meat, was always looking for smooth and blocky hogs of lighter weight. Thus it happened that such hogs came to be known on the market as "butcher hogs." The more general use of refrigerators has encouraged the consumption of fresh pork until "butcher hogs" are very much sought after not only by butchers but by all packers.

The class "butcher hogs" includes the very smooth and well finished hogs of high quality and good form. While they must be well finished they should not be too lardy. They are largely barrows though a few young sows that have never had pigs, the kind usually kept at home for breeding purposes, may be included. Typical "butcher hogs" should have compart, thick, deep and smooth bodies of moderate length and uniform (Figs. 27, 28 and 29). Old sows or thin young *sows would not* class as "butcher hogs." They range

in age from 6 to 12 months, largely 8 to 11 months, hogs more than a year old usually showing too much weight or a tendency to coarseness that would keep them out of the "butcher hog" class.

"Butcher hogs" are divided as follows: "Heavy butchers", 250 to 325 pounds; "medium butchers", 220 to 250; "light butchers", 190 to 220. Some writers

Fig. 28.—Medium Butcher Hog Weighing 240 Pounds.

classify hogs as light as 150 pounds as "butchers" but in actual practice on most markets hogs below 190 pounds are not classed as "butcher hogs" but as "light hogs". The object of putting hogs weighing as low as 150 pounds in the "butcher hog" class is to do away with the "light hog" class described below. It might be well, however, for the producer to learn the way hogs are actually classed and sold on the market. Then if one of the classes should gradually go out of use he will be none the worse off.

"Butcher hogs" are graded according to quality, as, choice, good and fair (medium) and in some cases as common, but hogs so poor as to grade common would more properly belong in some lower class.

3. **The class "packing hogs"** is also a most important class, including the rougher and heavier hogs, largely old sows (Fig. 30) as well as coarse, rough barrows not good enough or too heavy to class as "butcher hogs". The name "packing hogs" was given to this class of hogs because they supply the meat that is packed away in salt or otherwise cured. This class includes a wide variety of hogs ranging all the way from light hogs, too poor and too rough to be classed as light "butcher hogs," on up to hogs so heavy or so rough as to exclude them from the heavy "butcher hog" class. It includes the rough old brood sows, sometimes called "seedy" sows, and some smooth stags, but does not include rough and coarse stags. "Packing hogs" do not have the quality or are too heavy to be desirable for the fresh meat trade, but they supply a large part of the cured meats that are packed or stored away, hence the name "packing hogs". In point of age they will average older than "butcher hogs". The increased consumption of fresh pork made possible by the improvements in refrigeration has caused extremely heavy hogs weighing 350 pounds and over to be less sought after than formerly.

Packing hogs are divided according to weight as follows:

A. "Heavy packing", 350 to 400 pounds and up includes the smoother and better grades of heavy weights as well as some not so good, that is, car loads with a pretty good top.

B. "Rough heavy packing", 350 to 400 pounds and up, includes the loads that are both heavy and rough. Throw-outs from other loads may be included in this division.

C. "Heavy mixed packing", 300 to 350 pounds, includes quite a wide range of quality, sometimes with a sprinkling of hogs that can be sorted out for other grades or classes.

D. "Light mixed packing", 220 to 300 pounds, also includes hogs of quite a wide range in quality as well as weight.

It will be understood that there is considerable variation in the weights of packing hogs at different market points, those received at the markets on the edge of the corn belt averaging lighter.

The word mixed will not convey a very clear idea to the producer as to the character of a car of hogs and will not mean very much when used as the basis

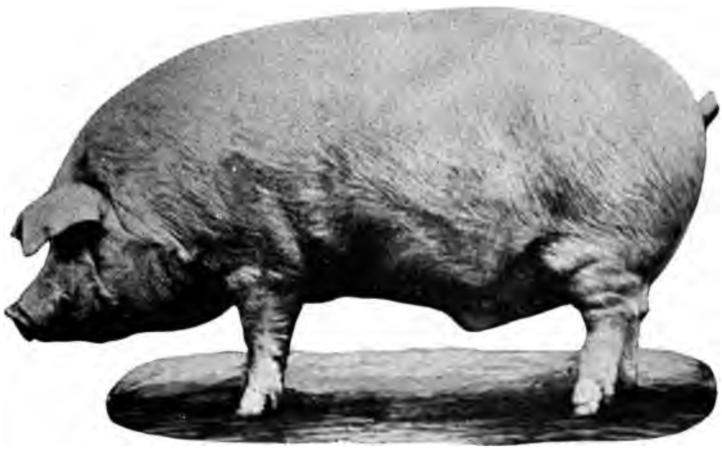


Fig. 29.—Heavy Butcher Hog Weighing 300 Pounds.

for a quotation, unless the reader of the quotation does a little figuring for himself. For example, a car of so-called mixed packers might be made up of extremely heavy old sows with just enough light weights to bring down the average weight of the whole load to a desirable figure. Such a load would sell at a much lower price than another car running more even and averaging the same weight but made up largely of smoother hogs of desirable weights with only a few heavy old sows and common light weights. The producer, however, can avoid being misled as to the value of his own

hogs by figuring out about what proportion of the hogs which he contemplates marketing are desirable in point of weights and quality. If the big percentage of the carload is desirable, then he would be safe in assuming that his shipment ought to bring well up toward the top of the range of prices for mixed packers. He should base his estimate on the pounds of desirable hogs in his shipment and not on the number of head, because three or four very heavy old sows will really constitute a much larger proportion of the car when weighed than if the number of head only was to be considered.

He must not make his estimate of prices too high, however, because cars of so-called "mixed packers" frequently contain a sprinkling of good "butcher hogs" which brings up the selling price and puts a higher top on quotations for mixed packers than would be paid for any car load of mixed hogs consisting strictly of packers.

Some favor dividing packing hogs into "smooth" and "rough" only, omitting all others. It is, however, a question if the term "mixed packers" can be ignored entirely in all market reports because a very large number of the hogs arriving at the big markets really come under that head and are sold as mixed hogs, many of them going to speculators, who sort them up into different classes and grades to be used in filling special orders. (See Chapter IX.)

"Packing hogs" are graded according to quality as good, fair (medium), and common. Hogs having sufficient quality to grade higher than good would in most cases be good enough to be included in some higher class than packing hogs.

4. **The class "light hogs"**, 130 to 200 pounds, includes hogs too light or too rough to be classed as "butcher hogs". It consists of hogs ranging quite

widely in quality as well as weights, the heaviest being fully as heavy or a little heavier than the lightest "butcher hogs". From that point weights run down to 130 pounds which may be taken as the dividing line between hogs and pigs. Some put the dividing line a little higher making it 140 pounds. The class as a whole will average not only lighter in weight but younger in age than either "butcher hogs" or "packing hogs". Hogs in this class grade all the way from com-

Fig. 30.—Packing Sow Weighing 300 Pounds.

mon to choice. The light hog class is divided into "English bacon hogs", "U. S. bacon hogs", "yorkers", "light lights" and "light mixed".

Hogs of the "English bacon" type (Fig. 31) are almost unknown on American markets with the exception of St. Paul, which receives a few. They are produced largely in Canada, Denmark and Ireland and other countries foreign to the United States. The hog of the true "English bacon" type is described as long in body with a narrow back and deep sides, hams and shoulders light and narrow, weighing 160 to 200 pounds. Sometimes hogs a little over 200 pounds are included. These hogs, also called singeing hogs be-

cause the bristles are singed off, are cut into what are known as Wiltshire sides for export. The Tamworth and Yorkshire breeds of hogs are of the English bacon type. Because of the few hogs of this type coming to American markets, they are seldom quoted in market reports.

What are known in the United States as "bacon hogs" are not of the true bacon type but of the lard type, being selected from the "light hog" or "butcher hog" classes, such individuals being taken as will most nearly conform to the true bacon type (Fig. 31). Thus the hogs most in favor for bacon are not as fat as the best butcher hogs, with longer bodies and deep sides. They weigh around 160 to 200 pounds and are largely barrows. Full car loads of bacon hogs are seldom received direct from producers and hence they are not quoted in most market reports, being covered by the quotations on the two classes, light "butcher hogs" and "light hogs".

"Yorkers" are light hogs, mostly barrows, weighing 160 to 190 pounds, very smooth and of high quality, especially selected to fill eastern orders. They are styled light and heavy yorkers. The fact that this sort is especially popular with the New York trade gave rise to the name "yorkers". Inasmuch as "yorkers" are selected from among "light hogs" and light "butcher hogs" the quotations given for those two classes generally covers "yorkers" as well. For that reason quotations on yorkers are not always included in market reports intended for the producer only.

Hogs known as "light lights" sometimes called "heavy pigs" range in weight from 130 to 150 pounds. The name is derived from the fact that they are the lightest of all hogs. They are sold largely for the fresh meat or shipping trade.

The term "light mixed" is descriptive of car loads made up of hogs of all grades, the whole car averaging

from around 200 pounds down. Light mixed hogs shipped direct from the country frequently contain quite a sprinkling of the best light hogs that can be sorted out to fill buying orders for light "butcher hogs", "bacon hogs" or yorkers. Speculators are good buyers of such hogs, handling them as explained in Chapter IX. The term "light mixed" is also applied to the light weight odds and ends, throwouts, etc., from other classes. Because of this wide range in quality and the uncertainty as to what constitutes mixed cars,

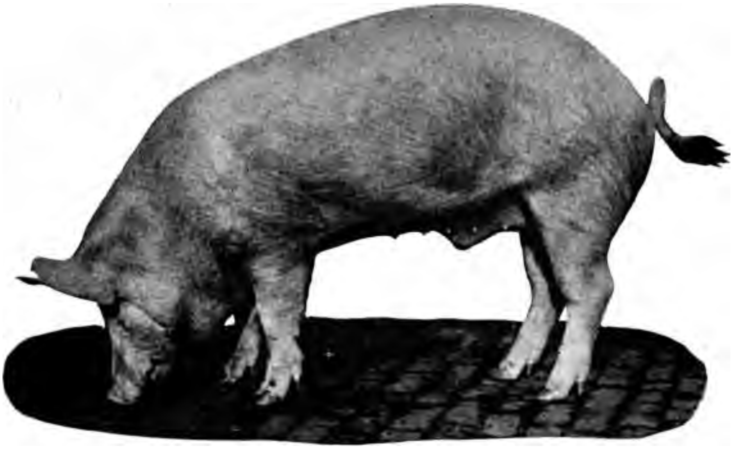


Fig. 31.—True Bacon Type Weighing 190 Pounds.

quotations on them can not mean very much to the producer, and they are not included in many market reports.

5. **The class "shipping hogs"** was formerly recognized on some of the markets but is no longer in general use. It originally included the hogs bought by shippers to be forwarded to other market points for slaughter. As such hogs usually consist of "butcher hogs" or "light hogs" that would come regularly under those classes, there is no necessity for an additional class. Still the term "shipping hogs" is frequently

heard on markets wherever order buying is at all common, but it may be taken as a general descriptive term referring to anything from "heavy butchers" down to "light lights" that a shipper would buy, and not as a separate or distinct class. It follows that shipping hogs do not regularly appear among the classes quoted in market reports.

6. **The class "pigs"**, 130 pounds down, begins where the class "light hogs" leaves off, so far as weights are concerned. The class embraces everything in the pig line that killers will buy, 50 or 60 pounds being about the lowest they will go. They grade all the way from common to choice. "Governments" are pigs thrown out of shipments by government inspectors and subject to condemnation. "Roasting pigs" 15 to 30 pounds are seldom or almost never seen on the market.

7. **The class "stocker and feeder pigs"**, 50 to 130 pounds includes pigs in condition to go back to the country to be grown and fattened for market (Fig. 32). "Stocker and feeder" pigs at public markets are subjected to very close government inspection before they can be shipped to the country and they must be healthy and in a good thrifty condition. Such pigs are graded all the way from common to choice but pigs so poor as to grade common would have difficulty in passing inspection, and pigs so good as to grade choice would in most cases bring more money for the shipping or fresh meat trade. Hence most of the "stocker and feeder" pigs going to the country grade either fair or good. They are known as heavy, 100 to 130 pounds; medium, 70 to 100 pounds, and light, 70 pounds down. As a rule 50 pounds is about as light as buyers will take while some buyers will use light hogs weighing as high as 150 pounds.

8. **Stags and boars** are hardly numerous enough on the market to entitle them to a separate class.

However, when sold separately they demand separate quotations and hence can not be put in with the throw-outs and ignored, nor can they be included in any other class; hence they must form a class by themselves. Stags are subject to a dockage fixed by agreement between packers and the live stock exchanges, formerly 80 pounds but later reduced to 70 pounds. The smoother stags that have less of the staggy appearance sell in with "packing hogs" and hence bring comparatively good prices. The rougher and coarser and at

Fig. 32.—Feeder Pig Weighing 70 Pounds.

the same time heavier stags, are thrown out and sold separately at lower prices. They are generally graded as good, fair or common.

Boars sell much lower than other hogs, weight and degree of coarseness being the determining factor. Many of the older and coarser are condemned by the goverment inspectors as unfit for food, in which case they bring only what they are worth to go into the tanks. Boars are graded as common or fair. Because of the large number condemned they should never be

marketed as boars but should be kept at home and later marketed as stags.

QUESTIONS.

1. Explain the meaning of "kind" as applied to hogs.
2. What kind of hogs are recognized on the market?
3. Why do grass hogs sell lower than corn feds?
4. What are mast fed hogs?
5. How do mast and peanut fed hogs sell?
6. Explain lack of uniformity in classing and grading hogs.
7. Name the different classes of hogs.
8. What are prime heavy hogs?
9. What are packing hogs?
10. Describe a butcher hog.
11. What are light hogs?
12. What are stags and boars?
13. What are shipping hogs?
14. What are stocker and feeder pigs?
15. Name the five grades of hogs.
16. Are all the grades used in all classes? Why not?

CHAPTER XVI.

CLASSES AND GRADES OF SHEEP

The study of the system of classifying and grading sheep should begin with a review of Chapter XIII so as to make sure that the reader understands the origin and development of live stock classes and grades. He must be particularly careful to fix clearly in his mind the meaning of the three key words "kind", "class" and "grade".

Sheep Divided According to Kinds.—Turning back to the definition given for "kind" in Chapter XIII, it will be understood that the word "sheep" indicates a kind of meat animal, but there are many different kinds of sheep. To begin with, they are known as westerns and natives. Westerns, meaning those produced on the ranches of the west and southwest, are frequently designated by the names of the state from which they originally came, as Wyomings, Idahos, Colorados, Mexicans, etc., there being quite a difference in type and quality between those originating from different sections of the country. Thus lambs from New Mexico, known as Mexicans, are inclined to be light pelted and, as they make a good percentage of meat when killed out, are popular with packers. Some localities seem to run more to heavy-hided sheep, due to a difference in breeding, and they do not sell so well. Natives are those bred on the farms in the corn belt, southern or eastern states. They are usually sold for killers, not being considered so desirable for feeders as westerns because of the greater danger of internal parasites, such as stomach worms.

The two kinds of sheep, natives and westerns, are again divided, the same as cattle, into fed stock and

grassers. A great many sheep are fed in the western or mountain states as well as in the corn belt and eastern states, so that all sections produce both corn or grain fed sheep and lambs, as well as grassers. All the different kinds of sheep may be either wooled, that is, having the wool on, or shorn. The word "clipped" means the same as shorn.

Different Classes of Sheep.—Sheep are classified according to the use that is made of them, as, mutton sheep, feeder sheep, and breeding sheep, as follows:

1. **The class "mutton sheep"** includes all grades of lambs, yearlings, wethers, and ewes, fat enough for killers and sold for that purpose. They may be westerns or natives, shorn or wooled, grain fed or grassers. It must be borne in mind that sheep are classed according to the use to which they will be put. Thus a good many sheep, considered fat enough for killers by the owner and so classed by him, if sold for feeders would be classed as such on the market and reported as feeders in the market papers.

2. **The class "feeder sheep"** includes all lambs, yearlings, wethers and ewes suitable for feeding and sold for that purpose. They are usually westerns, as natives are not in favor as feeders.

3. **The class "breeding sheep"** includes all ewes and bucks, both natives and westerns, sold for breeding purposes.

Words Indicating Age and Sex.—In order to avoid misunderstandings it is well to fix in mind the meaning of each of the words indicating age or sex, as follows:

A lamb is any sheep under a year old; either a wether, ewe or buck. In actual practice on a market, lambs are frequently called by that name until they are as much as fourteen months old. Spring lambs are young lambs, the word "spring" being used until the lambs of the previous year have passed well into the yearling class. June 15 is the date fixed by an old

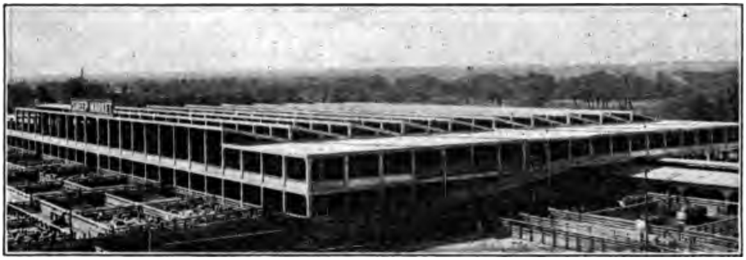


Fig. 33.—Concrete Sheep Barn, Denver.

custom but not strictly adhered to, on which lambs born the previous spring become yearlings while those born the same spring and known up to that time as "spring" lambs, drop the word "spring". A hothouse lamb is a very early spring lamb arriving on the market before the general run of spring lambs. Lambs are divided according to weight as follows: Light or handy weights, 85 pounds down; medium weights, 85 to 95 pounds; heavy weights, 95 pounds up.

A yearling is any sheep a year old and under two years old. There are yearling wethers, yearling ewes, and yearling bucks, but when no such qualifying word is used, yearling is generally understood as meaning yearling wether. Yearling wethers are divided according to weights, as follows: Light weight, 90 pounds down; medium weight, 90 to 100 pounds; heavy weights, 100 pounds up.

Fig. 34.—Prime Corn Fed Western Lambs.

A wether is an unsexed male two years or more of age.

A ewe is a female of any age, but when no qualifying word is used it is generally understood as meaning one that is two years old or more. Younger ewes are generally kept at home to replenish the flock, but if sent to market are usually designated as yearling ewes and ewe lambs.

Different Grades of Sheep.—In taking up the study of the grades of sheep, keep clearly in mind that "grade" refers to quality, condition, and conformation. The names of the grades, which are the same as in the case of cattle and hogs, are as follows:

1. **Prime** is the best grade, but the word "prime" indicates such perfection that only fed stock of good breeding and most skillful feeding can grade that high. Prime means the kind that would win premiums at the fat stock shows (Fig. 34). The number of such sheep seen on the market is always small.

2. **Choice** is the next grade, and that is as high as grassers or feeders could be expected to reach. Ewes even if grain fed seldom have the conformation to grade better than choice. This grade includes the better offerings seen on corn belt markets. It takes lots of quality, flesh, smoothness, and finish as well as good form, for killers to grade up to choice. Choice grassers and feeders of very attractive appearance are frequently called fancy. The word "fancy" is also used to designate very choice killers, in that case meaning almost the same as prime, or near prime.

3. **Good** is the next grade. The word "good" is used to designate sheep that possess some of the points required in the higher grades but not all of them. They may be lacking in form, or flesh, or finish, any one of which would prevent them from grading higher.

4. **Fair** (medium) is the next grade below good. The word "fair" is applied to stock that usually is

lacking in form as well as condition and quality. Long legs and long narrow bodies, and paunchy, with a deficiency in flesh are characteristic of this grade.

3. **Common** is the next lower quality than fair, the lowest of all the regular grades, and includes sheep and lambs of poor, undesirable, or inferior quality.

"Culls" or "throw-outs" are terms applied to sheep so common that they are sorted out and sold

Fig. 35.—Dipping Feeder Lambs, Omaha.

separately, such as unthrifty, blind, lame and undocked animals.

The word **"canner"** is used at some points to indicate an animal very thin in flesh.

"Pewee" is another term used in the sheep trade and means a small stunted lamb, one that has made little growth. **"Skip"** is sometimes used to designate a worthless or trashy lamb. **"Broken mouthed"** is a term applied to ewes or wethers so old that some of their teeth are missing.

It should be understood that the grades as given apply in most cases to all kinds and classes of sheep, westerns or natives, corn fed or grassers, shorn or wooled, feeder sheep and breeders, as well as mutton sheep. The one principal exception, however, must not be forgotten, and that is that "prime" is such a high grade that only grain fed or corn fed mutton sheep or lambs could reach that degree of perfection.

All these different classes and grades are seldom seen on any one market at any one time. Some are only seen at certain seasons of the year. Thus the market papers seldom or never quote all the kinds or grades in one issue.

Two Grades Used in Quoting.—In quoting the market two grades are generally joined together, giving a range in quality that is covered by a range in prices. Thus the quotations are based on grades grouped as follows: Choice to prime, good to choice, fair to good, common to fair.

The word "medium" is used frequently in place of "fair", both words indicating the same degree of quality, but medium is also used to indicate weight, (medium weight).

Difficult for Beginners to Grade Sheep.—Cattle and hogs are graded by the eye, but the most expert buyers and sellers are obliged to handle or feel of each *individual sheep* before being able to determine its

grade. This is because the wool covers up and hides the real quality, giving the sheep a deceptive appearance. Experienced sheep men, by spreading the hand so as to feel the back and ribs with one downward movement or stroke, can determine the amount of flesh carried. They are able at the same time to form a very good idea of the smoothness of the animal as well as the thickness of the skin and density of the wool. Some depend upon grasping the loin or by judg-

Fig. 36.—Sorting Sheep.

ing from the fullness and thickness of the dock, but no one depends upon the eye in the case of wooled sheep. As a matter of course, shorn sheep can be more easily judged by the eye.

The beginner in sheep husbandry, after learning what he can from these pages, ought to visit a large sheep market and spend a day or two with his commission man learning how to handle sheep and determine the amount of flesh they are carrying, in other words, their quality or grade. He will find it money well spent if he intends raising or feeding sheep for market. Hundreds of carloads of sheep are shipped to market every year before they are ready, and sold at a loss because owners are not sufficiently experienced to judge when they are fat enough. Most men

buy their feeder sheep or lambs at some one of the big markets. Then is the time to take a lesson in grading sheep.

Goats.—Not enough goats are received at most market points to attract any attention or to cause any very widely recognized grades to be established. The two kinds most commonly seen are Angoras and milk goats. They are classified as killers and feeders or "brushers". Young goats, or kids, fat enough for meat sell quite readily but at lower prices than fat sheep or lambs. Angoras of feeder flesh are taken out into the country to eat down and destroy brush and weeds. If there were enough coming to market to really establish grades, they would be graded the same as sheep, with the exception that goats could not be expected to get fat enough to grade higher than good while kids might grade up to choice.

QUESTIONS.

1. What is the meaning of "kind", "class", "grade"?
2. What are western sheep?
3. How are western sheep designated by states?
4. Explain some differences between sheep from different states.
5. What are native sheep?
6. Why are natives less desirable for feeders?
7. How are sheep classified?
8. Name the three classes of sheep.
9. What is included in the class "mutton sheep"?
10. What is included in the class "feeder sheep"?
11. What is included in the class "breeding sheep"?
12. What is a lamb, a yearling, a wether, a ewe?
13. What is the usage of the term "spring lamb"?
14. Explain the meaning of the word "grade"?
15. Name the five grades.
16. Explain the meaning of each.
17. What is the meaning of "culls", "throw-outs", "canners", "pewees", "broken-mouthed"?
18. Explain limited use of word "prime"?
19. What is a hothouse lamb?
20. Why are sheep difficult to grade?
21. Why is it necessary to handle sheep in grading them?

CHAPTER XVII.

FLUCTUATIONS OF MARKET PRICES

All legitimate market prices are dependent upon and are fixed by the law of supply and demand, unless the natural working of the law is thwarted by wrongful and illegal manipulation. The demand for live stock is directly dependent upon the consuming demand for meat products. The consuming demand in its turn increases or decreases for various reasons. Unfavorable weather, an abundance of cheap fresh vegetables and fruits, a surplus of poultry, religious fast days, business depressions, strikes, meat-eaters out of work, and many other causes act to temporarily decrease the consumption of meats. The smaller demand for the product is reflected back in the shape of a decreased demand for meat animals, and unless there happens to be a corresponding shrinkage in the supply on sale, the market is almost certain to decline.

No Relation Between Receipts and Demand.—Every close observer knows that the demand for live stock at the big packing centers has no relationship with or immediate influence upon the receipts of cattle, hogs and sheep. Some days the arrivals are not large enough to keep the packing houses running full time, while at other times receipts are larger than packers can handle without working overtime. Frequently just at the time when receipts of meat animals on the market are the largest, there will be a big drop in the consuming demand for the product. At other times, the situation is exactly reversed, so that receipts of live stock will be light just when the demand for the product is the heaviest. Such situations can have no

other result than to bring about rapid and violent changes in prices.

At Times One Goes Up, Another Down.—Frequently there will be an increased or decreased consuming demand for some special kind or cut of meat, in which case only the particular class or grade of meat animal producing it will experience a price change. At other times unfavorable business conditions or widespread unemployment may cause the consuming demand to shift from the more expensive to the cheaper grades of meat, bringing about a corresponding lessening of the demand for choice, well finished stock, and a better inquiry for the lower grades. This frequently is responsible for the better grades selling lower and the commoner grades higher, thereby narrowing the range of prices between the grades. A good demand from some section for canned beef, such as is sometimes afforded by army orders, may, by creating an active call for canner stock, cause it to sell relatively higher than the better classes of cattle.

Human Nature a Factor in Price Fluctuations.—Human nature, while seldom thought of in relation to markets, is responsible for many of the sudden advances and declines. This is frequently displayed on a small scale at farm auction sales. It may seem at first as if no one wants to buy, everybody is afraid to bid, and the sale looks like a failure. Then of a sudden something is offered that somebody wants, and he bids without hesitation. A neighbor also wants the same thing and raises the bid. The first man comes back strong, and his bid is again raised. The crowd becomes more and more interested as the two men compete, and frequently, as the excitement increases, men who had no intention of buying can not resist the temptation to get into the fight, and bids come thick and fast. The sale is a great success, many of the articles bringing more than their value. Then some ac-

tive bidder suddenly realizes that he has paid too much, and stops short. Others seem to come to the same conclusion and, without a word being said by anyone, the sale suddenly slows up and is soon as dull as it was at the beginning. The last articles sell very low and the sale closes with some stuff unsold. Just such occurrences as this, on a much larger scale, are repeated times without number on all the big live stock markets of the country. What is the explanation or the excuse for such fluctuations? There is no reason or excuse—it is just human nature. Just as long as men are allowed to compete or bid against each other, markets will be liable to advance under the excitement of active buying, without any real justification for it. It follows that markets so advanced will drop just as soon as the enthusiasm of the buyers cools off.

Fluctuations Cause Dissatisfaction.—There is no limit to the different combinations of causes and influences that are bound to arise from day to day and week to week, all of them having some special effect upon the demand for live animals, and hence producing fluctuations in market prices. There are perfectly legitimate causes for the up and down movement of prices, but violent fluctuations are always the cause of dissatisfaction on the part of sellers and they frequently give rise to severe criticism and charges that they were caused or helped along by manipulation on the part of buyers.

Stabilization a Real Issue.—Producers want a more even market so that they can form a clearer idea as to the future, which would enable them to carry on the work of producing live stock without so much risk of severe losses. Stabilization is recognized as a live question awaiting a solution. No one pretends that the alternate overloading and undersupplying of live stock markets, with the accompanying price changes,

is of any benefit to any one, from producer to consumer, while in many ways it is a distinct disadvantage.

The fluctuations of live stock prices are being studied very carefully and closely by capable men in the hope of discovering some method of reducing them to a minimum. Various plans have been proposed for controlling the supply on sale so that markets would not be overloaded, as frequently happens at the very time that the buying demand is at low ebb. So far no definite plan has been adopted because of the numerous difficulties to be surmounted, due to the changes in the consuming demand that come without advance notice. There is also the difficulty of getting producers to act in unison in the marketing of stock over a wide extent of territory. For example, the producers of the corn belt might, in view of market conditions, reduce shipments of fat cattle, but would the range men of Montana and Wyoming and other mountain states, with thousands of cattle rounded up at railroad stations, with the grass eaten off and possible storms near at hand, co-operate to the extent of limiting or holding back shipments? Would Tennessee and Kentucky shippers of spring lambs co-operate with the producers of distant states and submit to regulated shipments, or would the producers of each state strive to get their stuff on the market, the same as they do now, before receipts would be large enough to break it? These are some of the problems awaiting solution.

QUESTIONS.

1. What law fixes market prices?
2. What causes lead to fluctuations?
3. Why do market fluctuations cause dissatisfaction?
4. What is being done to limit fluctuations?
5. What are some of the difficulties to be overcome?

CHAPTER XVIII.

HOW TO READ MARKET REPORTS

Every producer wants to know what the market is, and what it calls for. His live stock market paper supplies this information but it is not always easy to write a market report that will be perfectly understood by the producer who seldom or never visits a market and who has never given any study to market reports. On the other hand, a little study of market language and how market reports are made up will be a great help to every reader interested in such reports. To begin with, he should read the preceding chapters devoted to Daily Market Reports and News, Classes and Grades of Live Stock, and Fluctuations of Market Prices, so as to have a clear idea of how markets operate and how they are handled by the reporters. He will then appreciate the fact that it is just as important that the reader do his part thoroughly as it is for the reporter to be accurate.

Need Not Read All the Markets.—Market reports are prepared with the idea of giving all the information regarding every phase of every department having to do with the marketing of every kind, class and grade of meat animals. It is not presumed that every reader will be interested in or read the entire market report, covering as it does in the largest market papers, seven to ten columns daily for live stock alone. The reader should, however, read carefully and thoughtfully the market covering the kind or class of stock in which he is interested. It is a mistake for him to merely glance at the headlines and note, for example, that the market is 10c higher, and say to

himself, "Good, the market is advancing," when, if he were to really read the market, he might discover that while higher for the time being, the general situation indicated approaching weakness, and that the market was in reality on the verge of a decline. Some important "don'ts" are:

"Don't depend on headlines," which, because of their brevity, cannot tell the whole story.

"Don't take too seriously market summaries," which are also deficient in details.

"Don't form your estimate of the market from a glance at top prices."

Must Learn How Stock Is Graded.—The producer or student will have less trouble in understanding market reports if he will study carefully the chapters in this book devoted to classes and grades of cattle, hogs and sheep, especially grades. As a matter of actual practice, live stock is not graded, as is grain, before being sold. On the other hand, buyers and sellers all understand where stock would grade and they quite often make use of the various grade terms to enable each other to understand what quality of stock they are talking about. Thus, having names for the different grades is a convenience for buyers and sellers, and it is a still greater convenience when it comes to reporting the market.

After the stock is sold, the reporter must give some kind of a description of the stock that will be understood in the country as well as in the stock yards. To give this description in detail for each lot of stock would be impractical because it would take too much time to read the report as well as to write it. To meet this difficulty, he quotes prices according to grades.

Market Language.—Every line of business has a language or at least a vocabulary of its own. Some portion of the language used in trade may be made up of slang, but the greater part consists of well known

Fig. 37.—Home of the International Live Stock Exposition, Chicago.

words that have been given a special meaning. Every live stock reporter knows that the ideal way to describe a market is to use the most direct and simple language possible, but he cannot always avoid using market expressions that may be misunderstood, and every student of markets should devote a little time to the study of market language.

Live Stock Market Prices.—Live stock is always sold on a public market, unless otherwise specified, at a price expressed in dollars and cents per hundred pounds live weight. For example, "20 beef steers at \$8.00" means that the price per hundred pounds is \$8.00. Custom has established the rule, that starting with even dollars, all price increases shall be on the basis of 2½c or multiples of that amount. In stock yards language all prices are fixed at even dollars, nickels, or split nickels (2½c). Starting, for example, with \$8.00, the prices above that figure would run \$8.02½, \$8.05, \$8.07½, \$8.10, \$8.12½, etc. The in-between figures, such as \$8.13, \$8.14, \$8.16, etc., are never used. In recent years even the split nickel has practically disappeared, buyers generally putting on or taking off even nickels, on the ground that no one has an eye fine enough to distinguish 2½c per hundred pounds difference in the value of an animal.

All market fluctuations, from necessity, are based upon comparisons with some other day or period. Thus

a market may be 10c higher or lower than it was at the opening the same day, or it may be quoted higher or lower than the opening of the week, or any other specified day. When a market is quoted as steady or higher, or lower, with no specified day or period being mentioned, the comparison is always with the general or average market of the previous day. For example, "The market today is 10c higher" always means 10c higher than yesterday's general market.

Meaning of Market Session.—All live stock markets really open as early as buyers and sellers can agree on prices, and the trade continues with more or less activity until the stock is all sold or until three o'clock in the afternoon, when the rules of most of the exchanges declare the market closed. Thus, strictly speaking, there is only one session of the market each day, but some market reporters speak of the "opening session", meaning the early morning period. By "mid-session" they mean some period near the middle of the market day, and "afternoon session" or "closing session" would refer to some period in the afternoon. Other reporters make themselves more easily understood by employing the usual words indicating the different periods of the day, as "morning", "around ten o'clock", "mid-day", etc.

Terms Indicating Lower Markets.—A good many words are used to indicate a lower market, but most of them are good English words, the meaning of which is understood by everyone, but it is necessary to notice their special application. "A weak market" is one that is so nearly "steady" or "stationary" that it can hardly be quoted otherwise, but so lacking in buying support that it is not easy to secure steady prices. "Weak feeling" expresses about the same idea. "Weak tendency", "easier tendency", "weak undercurrent", or "weak undertone", all indicate markets that are not quite up to steady. A shade lower means a decline

somewhat greater than indicated by "weak", but still not great enough to be called 5c lower. The expression "5@10c lower" means that the market is that many cents per hundred pounds lower than the general or average market of the previous day. Several expressions are used to indicate that the market is moving downward, as "easing off", "weakening", "declining", "slipping", "downward tendency", etc. "Slumping" would indicate a much greater or more severe decline than these words, and as a rule would be used only in cases where the decline amounted to 10@15c or more. "Break" means a substantial loss. A bear or bearish market, commonly used in grain markets and occasionally in live stock markets, means a weaker market, one with a downward tendency.

Terms Indicating Higher Markets.—"A strong market" is one that is a little better than "steady" but not enough better to be called "higher", or, in other words, "strong" indicates that it is easier to get steady prices. "Strong" or "strength" in a market carries along with it the idea of activity in the trade just as "weak" conveys also the idea of a slow market. "Strong feeling", "strong tendency", "strengthening up", all have about the same meaning. "A firm market" means one that is fully steady without the slightest hint of weakness; in other words, it means the next thing to a strong market. "A shade higher" means a little better than strong, say 2½c higher. A "bulge" in the market, used more often in connection with grain, means a high or higher spot in the market. "Upward movement" means the same as advancing, and just the opposite of "downward movement." "Bullish" or a "bull market" means a strong or stronger market, one with an upward tendency, the opposite of a bear market. A "seller's market" indicates one that is in seller's favor, that is a higher market, just the opposite of a "buyer's market" which would mean

a lower market. "On the up grade" means that the market is climbing up the grade, that is, going higher. Its opposite would be "on the down grade". The expression "a better market" always means better from the seller's standpoint, that is, a higher market. "Improvement", or "looking up" indicates stronger or advancing prices.

Terms Indicating a Steady Market.—"Steady", "unchanged", "stationary", "level", "on a par with", all mean that prices are the same as the day before, that is, neither higher nor lower. "Nominal" or "nominally steady" means that owing to a lack of receipts no business was transacted and the market in that case must have been steady or unchanged.

Terms Indicating Movement.—An "active" market is one in which live stock changes hands quickly. "Brisk", "moving freely", "lively", all mean practically the same thing as active. The opposite to these words is "slow", "sticky", "dull", "dragging", "in the dumps", "sluggish", "dead".

Terms Indicating Unevenness.—Uneven markets are by no means rare, and it sometimes happens that in different sections or divisions of the yards prices prevailing at a certain time will show considerable variation, being perhaps steady in one part while higher or lower in another. Sometimes two words are coupled together to express this unevenness, as, for example, "steady to stronger", meaning that the market is steady with some sales a little stronger. "Steady to ten higher" would indicate an uneven market, with sales ranging all the way from steady to 10c higher. In cases where only a few sales are ten higher, the expression "steady to ten higher in spots" is frequently used. The opposite of these terms would be "steady to easier", "steady to ten lower", etc.

Now and then a market reporter unconsciously makes use of market slang or slang terms, the mean-

ing of which would not be understood outside of the stock yards. A good many of these slang terms, as well as other words in good standing, have been included in the glossary at the end of this book.

Some Points to Remember.—In addition to market words and terms there are things that can be learned by experience and observation and remembered with profit by the reader of market reports. For example, a market that is suddenly advanced by unusual buying from any source will almost invariably

Fig. 38.—Brick Paved Cattle Pens, Chicago.

drop when that special demand is satisfied. A market that has been advancing steadily for some time is liable to react any day because the buyers who have been following it up, one by one may come to the conclusion that prices are too high, and drop out temporarily at least.

Those who have given close study to the reading of markets advise that the general farm news of the country should be carefully noted as well as world news, because such news will be found to contain many facts that may have a most important influence on the future market.

Those who realize the importance of the correct reading of markets, strongly favor making market study a part of the regular agricultural course in high schools and colleges. They feel that by studying and interpreting market reports in connection with market statistics, the future producer will better understand the full meaning of such reports and utilize the knowledge in selling his stock to the best advantage.

QUESTIONS.

1. Why is the producer interested in market reports?
2. Why should headlines not be depended upon?
3. Why must the producer learn how stock is graded?
4. What is meant by market language?
5. Explain how stock is sold per hundred pounds.
6. What is meant by "split nickel?"
7. Is it used on present day markets?
8. What is meant by 10c higher?
9. How is the word "session" used?
10. Give some of the terms indicating lower markets.
11. Give some of the terms indicating higher markets.
12. Give some of the terms indicating steady markets.
13. Give some of the terms indicating movement of markets.
14. Why do rapidly advancing markets react?
15. Why should farm and world news be read?

CHAPTER XIX.

INSPECTION AND SANITATION

For the protection of the public health, as well as to prevent the spread of contagious and infectious diseases among domestic animals, strict sanitary measures are enforced at all public live stock markets. The U. S. Bureau of Animal Industry has charge of this work, and in carrying out the various regulations co-operates with the officials of the different states and cities having markets within their borders. In cases where states have regulations covering admittance of live stock, which do not entirely conform to federal regulations, compliance with both state and bureau regulations is required. Every animal received at a public stock yards must pass before the eyes of trained inspectors, and if slaughtered the carcass also must undergo inspection before it can be offered for human food.

Thus there are two forms of inspection, ante-mortem (before death) and post-mortem (after death).

Ante-Mortem Inspection.—The inspection of animals on the hoof has for its first object the determination of what stock is free from all suspicion of disease and that can be re-shipped to the country without danger of spreading contagious or infectious diseases. A second and very important object is to separate from the apparently healthy stock all diseased animals, or those suspected of disease, in order that they may be subjected to special inspection at the time of slaughter, thus preventing any possibility of unfit meat being offered for food. This inspection is carried on very rapidly by a large force of men so as not to interfere with or delay the sale of the stock.

Cattle that have reacted to the tuberculin test are tagged with a metal tag in the ear and branded with the letter "T" on the jaw by the veterinarian making the test. When such cattle are shipped to the market, on special permit, veterinary inspectors at the market are notified and watch for their arrival. They are slaughtered separately from other cattle, under inspection.

Lumpy jaw cattle thought to be unfit for food are marked by means of a numbered metal tag in the ear, such as is used for tubercular cattle. They also are slaughtered under inspection, the inspector in the packing plant being supplied with the number of the tag, and also with a numbered card giving all information respecting the animal bearing the tag having the same number. He checks up on the receipts of such animals in the packing plant to which they have been consigned.

The same general practice is followed in the case of hogs and sheep. Hogs showing symptoms of cholera are given a physical examination, temperatures are taken and they are isolated. They go to slaughter under inspection, or they may be held over a day for another temperature test, at the request and risk of the slaughterer who has purchased them. They are slaughtered under the most rigid inspection.

Cattle, hogs and sheep that show signs of emaciation, advanced pregnancy, recent parturition, abscesses, etc., are marked for separate slaughter.

Cripples are given a special inspection immediately before slaughter. The general symptoms are observed and temperatures taken. Those too far gone are sent to "the tank" for the production of fertilizer and other by-products, no part of such carcasses being used for human food. Those not too seriously injured are slaughtered, and such parts of the carcasses as are unfit for human food are condemned.

It is one of the duties of inspectors to permit no dead animals to be purchased by or brought into slaughter houses operating under federal inspection. Even if any animals should die in the packers' own pens, they are tagged, reported, and the inspector sees that they go to a rendering plant, reporting their arrival there.

Post-Mortem Inspection.—Post-mortem inspection is the examination of carcasses and organs in the packing plants during and after the slaughtering process,

Fig. 39.—Interior Concrete Sheep Barn, Denver.

its object being the rejection of all carcasses or parts of carcasses unfit for human food.

Post-mortem inspection is divided into three parts: Inspection of lymph glands of head and neck; inspection of all internal organs; and inspection of all surfaces. The discovery of any abnormal condition, in any part of the carcass, results in tagging all parts of the carcass for further and final inspection to determine its disposition.

Other Forms of Inspection.—All animals shipped from public markets, except for immediate slaughter,

or steers for feeding purposes, are subject to inspection and treatment. The principal diseases to be guarded against are tuberculosis, Texas fever, scabies in sheep and cattle, and hog cholera. Bulls or she stuff over six months old going to the country for breeding purposes must be tuberculin tested. In at least two states, Indiana and Wisconsin, such stock brought in for feeding purposes must be branded with an "F" to insure that they will not be retained for breeding.

Cattle or sheep having scabies, or cattle infested with the fever tick, are not permitted to go to the country until dipped (Fig. 35) and otherwise treated as prescribed by the regulations of the U. S. Bureau of Animal Industry.

Shipping Regulations for Stock Pigs.—Hogs must be vaccinated for cholera before being shipped from an open market to the country, and must be either dipped or sprayed (Fig. 15) in a standard disinfectant under government supervision. Under no conditions can hogs affected with hog cholera be transported interstate.

Handling Diseased Animals.—Treatment of diseased animals is always under government supervision, and it may be performed by a stock yards company or by others, depending on the market, but at the expense of the owner. The railroad company delivering diseased stock is required to clean and disinfect the cars conveying such stock. This work is done under the supervision of inspectors, and the railroad makes a charge for the service, the charge being added to the shipper's freight bill.

Quarantine Divisions.—Practically all public yards maintain quarantine divisions of some kind for the proper carrying out of sanitary regulations that may be put in force by the state or federal authorities. For instance, all yards receiving cattle from territory *south* of the Texas fever quarantine line, must have a

separate division for them. Such cattle are generally slaughtered without further shipment.

Before the federal government, co-operating with the infested states for the eradication of the fever producing tick, reduced the southern quarantine area, the southern or Texas divisions were of great importance. They received thousands of cattle daily during the shipping season and, as they had to be sold separately, there was really a separate market that was reported regularly by the daily market papers. For example,

Fig. 40.—Exchange Building, St. Joseph.

at Kansas City they had yards, at some distance from the main yards, that handled in 1909 a total of 430,100 head of quarantine cattle. That was the high year in the quarantine cattle trade at that point, and since that date the receipts have gradually fallen off, due to the reduction in tick infected territory, until in 1921 Kansas City handled only 15,356 southern quarantines. Other markets have experienced a similar reduction in receipts of that kind of cattle, and if the government continues its war on the fever tick it is predicted that

in a few years such a thing as cattle being quarantined for Texas fever will be rare, barring of course occasional outbreaks in limited districts. Sanitary regulations, both state and federal, vary from time to time as conditions require. They are issued under the general legislation granting authority to designated branches of government to issue such regulations as may be necessary to protect the public health and to prevent the spread of contagious and infectious diseases.

Inspection of Brands.—A form of inspection that has nothing to do with public health or the spread of disease is "brand" inspection. This work is supported by and under the direction of the different stock growers' associations of the range states, except in the case of Montana where the state government manages the work. It was undertaken primarily to prevent the stealing (rustling) of cattle on the range and their shipment and sale to innocent parties at the big markets. Brand inspection is also very useful in the way of recovering stray animals that have become mixed in with other cattle and through oversight shipped to market by parties other than the real owners.

This branch of inspection is taken care of by men expert in the reading and deciphering of brands, who examine each individual in every shipment of branded cattle. All cattle bearing brands not the property of the party shipping them to market are sorted out and sold, the money being returned to the real owners.

Some idea of the extent of this work may be formed from the fact that the brands recorded in Wyoming, Montana and South Dakota alone number between thirty-five and forty thousand. The system of brand registration and inspection is a safeguard for every producer on the range as well as a guarantee of title to the buyer of branded stock.

Docking or Shrinking Hogs.—By a joint arrangement between buyers of hogs and commission men act-

ing through the exchange, an inspector is stationed at each scale house where hogs are weighed. It is his business to inspect the hogs as they come from the scales and report the number of stags, which are docked 70 pounds, and pregnant sows, which are docked 40 pounds each. On some markets small sows are docked less than 40 pounds. The total amount of dockage or shrinkage is deducted from the gross weight of the hogs and the buyer is not compelled to pay for it, the dock being for the purpose of making up to the buyer what he would otherwise lose from the wastage in dressing of such hogs. In case either the buyer or the seller is dissatisfied with the amount of dockage, he can call for arbitration, there being a regular provision for this. The amount of dockage is subject to change by joint agreement between buyers and the live stock exchanges.

QUESTIONS.

1. What is the object of inspection and sanitation?
2. What department has charge of this work?
3. Name two forms of inspection.
4. Explain ante-mortem inspection.
5. How are tubercular cattle marked?
6. How are cripples handled?
7. What is post-mortem inspection?
8. How are animals having scabies treated?
9. What is the treatment for cattle harboring fever ticks?
10. How are stock pigs handled?
11. What is a quarantine division?
12. What is brand inspection?
13. What is meant by dockage and shrinkage of hogs?

CHAPTER XX.

GOVERNMENT SUPERVISION

On the theory that stock yards and packing houses are semi-public utilities, a strong sentiment developed during recent years favoring the placing of such institutions under government control. The first action was along the lines of state control and for years the legislative sessions of states having stock yards within their boundaries, generally witnessed the introduction of some form or other of stock yard regulatory bills. Such states as Kansas, Texas and Minnesota passed laws, some of the regulations being quite drastic. For example, live stock exchanges in Texas were forced to cease operating through court injunction brought under the laws of that state. The Minnesota law enabled the state to take over the weighing of all live stock at public markets, work that had been done previously by the stock yards companies. The law also enabled the state authorities to take control of and employ inspectors to do the shrinking or docking of hogs, which was formerly under the management of the live stock exchanges. Efforts also have been made at different times to pass state laws regulating stock yard charges and market commissions.

With a view to securing greater uniformity than was possible under state enactments, those favoring regulatory laws carried the contest to Washington with the result that on August 15, 1921, Congress passed the "Packers and Stock Yards Act, 1921," giving the Secretary of Agriculture power to supervise the operation of packers and stock yards, including "market *agencies*", in other words, commission men and others

doing business in the yards. The law empowers the Secretary to issue rules and regulations to carry out its provisions.

The Act declares that it shall be unlawful for packers to engage in unfair, discriminatory, or deceptive practices tending to restrain trade or create a monopoly, or to indulge in practices having the effect of manipulating or controlling prices.

The Secretary of Agriculture is also given power to see that all rates charged by stock yards or market agencies "shall be just, reasonable, and nondiscriminatory," and it requires the keeping of a schedule of the rates and charges open to the public. They are forbidden to charge other rates than those named in the schedules which they are required to file for approval with the supervising agency, and the latter after hearing may determine and prescribe just and reasonable rates and make appropriate orders and enforce same.

Failure on the part of stock yard owners or market agencies to comply with any provisions of the law or with any of the Secretary's rules or regulations is punishable by a fine. However, stock yard owners or agencies are given recourse to the courts, the Secretary's ruling in any case not being final unless upheld in the courts.

QUESTIONS.

1. Under what law does the federal government supervise the packing industry and public markets?
2. What are the provisions of the law affecting packers?
3. What are the provisions of the act relating to stock yard owners and market agencies?

Glossary of Words

Their Uses on Live Stock Markets

Active a brisk, lively market, not necessarily but often higher.

Baby beef, steers fifteen months old or under that have been under forced feeding from birth, 950 pounds and under.

Bacon type, a hog of long and smooth body of such breeding and conformation as to be especially adapted to the production of bacon. The typical bacon breeds are Tamworth and Large Yorkshires.

Barrow, a hog unsexed when a young pig.

Bear, one who tries to force down a market or believes the market will decline, the opposite of bull; bear or bearish market, a weak or lower market.

Beef steers, thick fleshed class of steers bought by killers.

Beet pulp, descriptive of stock fattened on beet pulp from beet sugar factories; pulp fed.

Bloom, the high point of a market; stock at the time it reaches its best condition; as, "The bloom is off the market", meaning that the market is not quite so good as at the best time. "They (some kind of meat animals) have lost their bloom," meaning that the stock has reached its best market condition and is going back.

Boar, a male hog of any age.

Bob veal, flesh of an unborn calf from slaughtered cow; prematurely born or very young calf. Unmarketable.

Bow-wow, a small stunted aged steer with no quality, unsuited either for beef or feeder purposes. Utilized sometimes as canners or cutters. Same as "tripe", "canner yearlings."

Branded cattle, cattle bearing brand marks, hence range cattle or westerns.

Brisk, Lively, a condition of trade in which sales are made freely and generally, though not always at stronger prices.

Broken mouthed, aged ewes or sheep that have lost some of their teeth.

Buck or ram, a male sheep.

Bulk, the majority, as of sales for the day or period.

Bull, the male of the bovine species; one who tries to advance a market or believes it will advance, the opposite of bear; bull or bullish market, a stronger or higher market.

Bullock, a full grown steer, ox, or stag.

Burry, used of sheep whose fleeces are carrying the burrs of various weeds. Such animals usually sell lower because of the damage to wool.

Butcher cattle, trim stock, either cows, steers or heifers, carrying good flesh, popular with the city butcher trade.

Call, as call for stock, meaning demand or inquiry for stock.

Canadian singers, see "Singers."

Canners, animals too thin for beef but suitable for canning purposes. Such cattle are known also as "strippers" at packing houses.

Canner yearling, a small stunted steer, of any age, unsuited for either beef or feeder purposes. See "Bow-wow."

Choppers, aged ewes in medium flesh, not good enough to grade as fat.

Class, a market division of live stock based upon the use to which it will be put, as beef steers, packing hogs, mutton sheep. See Chapter XIII.

Cleared, sold, as receipts cleared early, meaning receipts were all sold early.

Clipped, shorn, descriptive of sheep or lambs after the wool has been removed.

Colt, a young horse; sometimes used to designate the male, as distinguished from filly, the female.

Condemned, an animal that government or other inspectors have pronounced unfit for food; must be slaughtered and sent to the fertilizer tanks.

Corn fed, stock fattened on corn.

Counterfeit, descriptive of cattle of good color giving impression of good breeding that they do not possess. For example, cattle showing Hereford markings but lacking Hereford conformation and quality.

Cowish, she stock on the cow order, resembling cows or composed largely of cows.

Crip, an animal that has been hurt or crippled.

Crossbred, the progeny of purebred parents of different breeds but of the same species.

Culls, stock so common as to be thrown out of consignments and sold separately.

Cutters, animals one grade better than canners but yet not carrying enough flesh to class as beef.

Cutting, sorting as of sheep or cattle; a cut, a sort; cut-outs, animals sorted out of a bunch.

Dairies, animals from dairies or fed on dairy slop.

Dairy maids, canners.

Deacon, a young calf, a veal; a calf too young for food.

Dead, dull, stagnant, lifeless; descriptive of a market with very poor buying demand and very little stock selling.

Decline, downward or lower movement of the market, usually expressed in cents per hundred pounds, as a decline of 10c.

Dehorned, applied to cattle whose horns have been removed.

Directs, stock not offered for sale; stock purchased by local packers at other markets and shipped direct to them for slaughter.

Distillers, cattle fattened on by-products of distilleries, frequently called "still cattle." The closing of the distilleries has cut off the supply of "still cattle."

Dockage or shrinkage, a specified weight deducted from stags and pregnant sows. On sows the dock is 40 pounds, on stags 70 pounds, formerly 80 pounds.

Docked lamb, one that has had its tail cut off. Such lambs are preferred on a market.

Dogey, small common-bred cattle native to the southern states, sometimes called "yellowhammers" on the St. Louis market.

Dogs, very poor inferior animals, canners.

Dopey, applied to stock showing dullness or listlessness indicating disease, as dopey hogs.

Downer, an animal that for any reason can not keep on its feet; crippled.

Dressed beef steers, beef cattle purchased by packers as distinguished from butcher stock. Seldom used on the market at present; nearly obsolete.

Edge, keen edge, wire edge, terms applied to the highest and most active point in a market; the edge is off, meaning the market is not so good.

Export cattle, beef cattle purchased for export to foreign countries.

Fat-back, a very smooth and fat heavy hog, with a broad and well developed back. Sometimes called "Philadelphia fat-back" because of the popularity of that type with Philadelphia buyers.

Fat end, the fat individuals in a bunch of stock, opposite of thin end.

Feeders, animals with sufficient growth and flesh to make them suitable for placing immediately in the feed lots.

Filly, a young mare, a female colt.

Foal, a colt, male or female, under one year old.

Free-martin, heifer born twin with a bull, imperfectly sexed and barren as a rule.

Fresh, used of receipts to indicate the arrivals of the current day as distinguished from holdovers from other days.

Gelding, a horse unsexed while young.

Gilt, a sow under twelve months that has not farrowed.

Glutted, oversupplied; glutted market, one with receipts larger than demand, usually accompanied by lower prices.

Grade, a market division indicating quality; the offspring from mating a purebred with a scrub, or from mating animals not purebred but having close purebred ancestors.

Grassers, cattle fitted for market on the range or on pasture alone.

Governments, animals thrown out by government inspectors. They may or may not be finally condemned as unfit for food.

Hand, unit of measure equal to four inches, used to designate height of horse from highest part of withers to the ground, never applied to meat animals.

Handy weights, beef cattle averaging around 1100 to 1300 pounds.

Hat racks, canners.

Heifer, a young cow that has not produced offspring.

Heifery stock, stock on the heifer order or running largely to heifers; mixed cows and heifers, largely heifers; cows resembling heifers in conformation and quality.

Heretics, a term mostly applied to inbred southern cattle between the veal and yearling stage, weighing generally 150 to 300 pounds.

High mixed, descriptive of a bunch of hogs composed of individuals ranging from very light to very heavy in weight.

Hiked, advanced. "He hiked" meaning he advanced the price asked earlier in the day.

Holdovers, stock not sold on the day of arrival, leftovers, stale receipts, the opposite of fresh receipts.

Hot-house lambs, very early spring lambs marketed in advance of the general run of spring lambs.

Hump-backed, a market that is higher in the middle than at either the opening or closing.

In-between kinds, stock that does not easily fit into any one class. For example, cattle that are neither one thing nor the other, most too fleshy for feeders and hardly good enough for beef. If corn fed they might be described as "warmed-up" or "near-beef."

Jack pot, mixed lot of cattle, usually of common quality.

Knothead, a type of poorly bred, stunted northern cattle, about the size of yearlings, but with heavy horns indicating that they are older.

Kosher, clean, lawful, as Kosher meat from animals slaughtered according to Hebrew or Talmud law. Kosher buyers, those who buy for the Kosher trade. Kosher cattle, those bought for the Kosher trade.

Lead goats, goats trained to lead sheep which because of their habit of bunching up and running in circles can hardly be driven through an alley without such leader.

Leftovers, see "Holdovers."

Level, used of prices, as higher level, meaning a higher plane, equivalent to higher average.

Lively, see "Brisk."

Long, used in reference to age, as a long yearling, one that is over a year old but not old enough to be classed as a two-year-old.

Long fed cattle, cattle that have been on corn or other concentrated feed a sufficient time to make finished beef, six to nine months or longer.

Mast, fruit of oak and other forest trees; nuts. Mast fed, fattened on mast.

Mid-session, see "Session."

Milkers, cows shipped to market for dairy purposes. See class of cattle "Milkers and Springers", Chapter XIV.

Muley cattle, cattle bred without horns. Polled.

Mutton sheep, fat ewes or wethers, or ewes and wethers mixed, used for killing.

Native cattle, used to designate corn belt or northern farm raised cattle as distinct from southeastern or southwestern or western range stock.

Navajo sheep, an unimproved strain grown by the Navajo Indians of New Mexico.

Near-beef, cattle shipped for beef but not well enough finished to make them desirable for beef. Frequently sold as feeders. See "In-between kinds."

Nellies, canners.

Nominal, a market in which there are not enough supplies available or sales consummated to clearly establish quotations.

Nurse cows, milch cows that furnish additional supply of milk for feeding calves (not their own) to give better flesh and finish.

Order buyers, men who buy on orders charging commission for services. See Chapter IX.

Over the hill, see "Under the hill."

Pea-fed lambs, those fattened on field peas; in certain sections, notably the San Luis valley of Colorado, lambs to be fattened are run in field peas.

Penholder, an animal left in a pen to hold it and keep other cattle from being turned into it.

Pewees, small stunted pigs or lambs.

Piney woods rooters, see "Razor backs."

Plain, descriptive of cattle deficient in the kind of breeding that would make them attractive. Has no reference to flesh carried. Cattle may be well finished and still plain; lacking in style.

Polled, bred without horns. See "Muley."

Pulp fed (pulpers), stock fed on beet pulp, the refuse of sugar beet factories. See "Beet pulp."

Purebred, an animal registered or eligible to registry in some one of the purebred associations. Sometimes incorrectly described as a thoroughbred.

Quarantine division, section of the yards set apart for stock that for some reason must be segregated.

Quarantine line, line drawn by federal inspectors dividing tick free territory from infected territory.

Quinine steer, a poor inferior animal having every appearance of disease, usually extremely inbred.

Ram or buck, a male sheep.

Rangy, used of an animal showing length in middle of body.

Razor backs, southern range hogs of no breeding, so called because of their thin and narrow backed conformation. Piney Woods Rooters.

Rendering plant, establishment for the rendering of dead, condemned, or diseased animals unfit for food; produces fertilizer, oils, and other by-products. See "Tank."

Roasters, pigs weighing 15 to 30 pounds, rarely seen on the market.

Roughs, throw-outs, hogs too common to grade, lack condition, form and quality.

Run, receipts or supply coming to market.

Sappy, applied to lambs freshly taken from the ewes and carrying milk fat, generally marketed at about four months of age. Such lambs held too long until they have lost their milk fat are said to have lost their sap or their bloom. See "Bloom."

Sausage or bologna bulls, those not carrying sufficient flesh for beef.

Scalawags, shells, emaciated stock.

Scalpers, speculators, men who buy and sell stock for speculative purposes.

Scalping, speculating. A scalp, the profit derived from a speculation.

Scratch, done or made by chance; a scratch sale, a scratch top; one that is higher than the real condition of the market would justify.

Scrub, an animal of mixed or unknown breeding, without definite type or markings.

Seedy sows, old and rough sows that have been used as brood sows.

Session, the period between the opening and closing of a market. Mid-session, the period near the middle of the day.

She stuff, cows and heifers.

Shearling, a sheep but once shorn; a yearling.

Shells, scalawags, emaciated stock.

Shelly, on the order of or resembling shells, emaciated stock.

Shipping steers, fat steers purchased by shippers or order buyers.

Shorn, clipped, sheep after the wool has been removed.

Short fed, cattle on corn or grain feed from two to three months.

Shote, a young hog weighing around 100 to 150 pounds.

Shrinkage, see "Dockage."

Singer, a hog of narrow back and straight belly, particularly used for its lean bacon. Weight 160 or 200 pounds largely; must be of good quality, not too fat. Popular in Canada and England but not common in the United States. In dressing, the hair is singed off instead of being scraped off, hence the name.

Skins, thin emaciated animals. See "Skip."

Skip, a light, trashy, common pig or lamb.

Slips, declines, becomes a little lower, the market slips. To slip, to lower a bid. "He slipped," descriptive of a buyer who lowered a bid made earlier in the day.

Slow, sluggish, dull or dragging, descriptive of a market in which salesmen experience difficulty in selling stock freely, generally though not always indicative of a weaker or lower undertone or tendency.

Slump, a sudden fall or decline in prices or receipts.

Slunk, a prematurely born animal, unmarketable; bob veal, prematurely born calf.

Soft, applied to animals so fed as to have soft flesh; opposite of hard well finished. See "Washy."

Sow, a female hog of any age.

Spayed heifer, a heifer unsexed by removal of ovaries, may be recognized by scar in front of left hip resulting from the operation.

Springer, a cow due to freshen.

Stagnant, dull, not moving.

Stags, male cattle, hogs, sheep or horses, unsexed after maturity.

Stale receipts, see "Holdovers."

Stallion, a male horse.

Steady, applied to a market showing no essential change from conditions or prices prevailing the preceding day.

Still cattle, see "Distillers."

Strippers, see "Canners."

Stocker, any animal suited to go back to the country primarily for further growth before being ready for feeding.

Straight, applied to a sale in which the whole bunch offered was sold without any animals being sorted or thrown out.

Strong, applied to a market the opposite of weak, one that is not quotably higher but inclined that way.

Strong weights, heavy weights.

Sway-backed, a market that is lower in the middle than at either the opening or closing.

Tail-end, that which is left after the more desirable individuals have been sorted out of a drove; the poorer individuals in a car or drove. Opposite of fat end.

Tank, large steam cooker in which packing house refuse and dead or condemned animals are rendered, the oil being drawn off and the remainder converted into fertilizer and other by-products. Tankage, product from tanks. To send to the tanks, to condemn.

Texas long-horns, old type of Texas cattle with very long horns, rarely seen on present day markets because of improved breeding.

Thoroughbred, the English bred running horse, sometimes incorrectly used to describe purebred cattle or other domestic animals.

Through stock, stock received and counted in the day's run but not offered for sale, being consigned to other points.

Throw-outs, animals of any kind thrown or sorted out of a bunch of stock because of not being of the right weight, color, or quality, or because of some defect.

Toboggan, used in the expression "on the toboggan" meaning on the down grade, declining.

Top, the day's extreme high price for carload lots. Stock of very good quality is sometimes described as toppy. The best individuals in a shipment are known as the tops or top, as "There is a good top on that car of stock." The opposite of tail-end.

Trader, one who trades, a speculator.

Trend, tendency in some certain direction, as of prices.

Trimmed lamb, unsexed male.

Tripe, very undesirable stock of any kind. See "Bow-wow."

Under the Hill, a market that is just under a certain even dollar top, as $7.00, $8.00, or $9.00. When the market goes above the even dollar it is said to be "over the hill."

Veneer, a thin covering of flesh or fat. Rarely used.

Warmed-up, thin cattle that have been on corn feed just long enough to show feed effects, but not long enough to be desirable beef. See "In-between" kinds.

Washy, descriptive of feed such as new grass or other freshly grown vegetation that has a clearing effect upon the digestive tract but does not make good hard flesh; applied to animals fed on such feed; soft; green.

Weak, not quotably lower but inclined that way.

Weanling, a newly weaned animal; a young foal.

Weigh-back, an animal sold and weighed up with other stock but cut out and weighed back to the seller because of some imperfection or injury.

Wilt, an extremely poor and almost worthless inbred steer.

Wiltshire sides, sides of pork from which English bacon is cut, consisting of the whole sides of the hog, less the head and feet, cut from the bacon type of hog for the English trade. Produced in Canada and Denmark and to a limited extent in the United States.

Woolies, sheep; heard occasionally on western markets but used more often on the range.

Yearlings, cattle or sheep beyond the calf or lamb stage and under the two year old class.

Yellowhammer, dogey.

Yorker, a hog weighing 160 to 190 pounds, very smooth and choice, a type very popular with New York City butchers.

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